

112TH CONGRESS
1ST SESSION

H. R. 2309

To restore the financial solvency of the United States Postal Service and to ensure the efficient and affordable nationwide delivery of mail.

IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 2011

Mr. ISSA (for himself and Mr. ROSS of Florida) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To restore the financial solvency of the United States Postal Service and to ensure the efficient and affordable nationwide delivery of mail.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REF-**
4 **ERENCES.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Postal Reform Act of 2011”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents; references.

TITLE I—POSTAL SERVICE MODERNIZATION

Subtitle A—Commission on Postal Reorganization

- Sec. 101. Short title.
- Sec. 102. Definitions.
- Sec. 103. Commission on Postal Reorganization.
- Sec. 104. Recommendations for closures and consolidations.
- Sec. 105. Implementation of closures and consolidations.
- Sec. 106. Congressional consideration of final CPR reports.
- Sec. 107. Nonappealability of decisions.
- Sec. 108. Rules of construction.

Subtitle B—Other Provisions

- Sec. 111. Frequency of mail delivery.
- Sec. 112. Efficient and flexible universal postal service.
- Sec. 113. More cost-efficient Postal Service contracting.
- Sec. 114. Enhanced reporting on Postal Service efficiency.

TITLE II—POSTAL SERVICE FINANCIAL RESPONSIBILITY AND
MANAGEMENT ASSISTANCE AUTHORITY

Subtitle A—Establishment and Organization

- Sec. 201. Purposes.
- Sec. 202. Establishment of the Authority.
- Sec. 203. Membership and qualification requirements.
- Sec. 204. Organization.
- Sec. 205. Executive Director and staff.
- Sec. 206. Funding.

Subtitle B—Powers of the Authority

- Sec. 211. Powers.
- Sec. 212. Exemption from liability for claims.
- Sec. 213. Treatment of actions arising under this title.

Subtitle C—Establishment and Enforcement of Financial Plan and Budget
for the Postal Service

- Sec. 221. Development of financial plan and budget for the Postal Service.
- Sec. 222. Supplementary borrowing authority during a control period.
- Sec. 223. Process for submission and approval of financial plan and budget.
- Sec. 224. Responsibilities of the Authority.
- Sec. 225. Effect of finding noncompliance with financial plan and budget.
- Sec. 226. Recommendations regarding financial stability, etc.
- Sec. 227. Special rules for fiscal year in which control period commences.
- Sec. 228. Assistance in achieving financial stability, etc.
- Sec. 229. Obtaining reports.
- Sec. 230. Reports and comments.

Subtitle D—Termination of a Control Period

- Sec. 231. Termination of control period, etc.
- Sec. 232. Congressional consideration of recommendation.

TITLE III—POSTAL SERVICE WORKFORCE

Subtitle A—General Provisions

- Sec. 301. Modifications relating to determination of pay comparability.
 Sec. 302. Limitation on postal contributions under FEGLI and FEHBP.
 Sec. 303. Repeal of provision relating to overall value of fringe benefits.
 Sec. 304. Modifications relating to collective bargaining.

Subtitle B—Postal Service Workers' Compensation Reform

- Sec. 311. Sense of Congress.

TITLE IV—POSTAL SERVICE REVENUE

- Sec. 401. Adequacy, efficiency, and fairness of postal rates.
 Sec. 402. Repeal of rate preferences for qualified political committees.
 Sec. 403. Rate preferences for nonprofit advertising.
 Sec. 404. Streamlined review of qualifying service agreements for competitive products.
 Sec. 405. Submission of service agreements for streamlined review.
 Sec. 406. Transparency and accountability for service agreements.
 Sec. 407. Nonpostal services.

TITLE V—POSTAL CONTRACTING REFORM

- Sec. 501. Contracting provisions.
 Sec. 502. Technical amendment to definition.

1 (c) REFERENCES.—Except as otherwise expressly
 2 provided, whenever in this Act an amendment or repeal
 3 is expressed in terms of an amendment to, or repeal of,
 4 a section or other provision, the reference shall be consid-
 5 ered to be made to a section or other provision of title
 6 39, United States Code.

7 **TITLE I—POSTAL SERVICE**
 8 **MODERNIZATION**

9 **Subtitle A—Commission on Postal**
 10 **Reorganization**

11 **SEC. 101. SHORT TITLE.**

12 This subtitle may be cited as the “Commission on
 13 Postal Reorganization Act” or the “CPR Act”.

1 **SEC. 102. DEFINITIONS.**

2 For purposes of this title—

3 (1) the term “Postal Service” means the United
4 States Postal Service;

5 (2) the term “postal retail facility” means a
6 post office, post office branch, post office classified
7 station, or other facility which is operated by the
8 Postal Service, and the primary function of which is
9 to provide retail postal services;

10 (3) the term “mail processing facility” means a
11 processing and distribution center, processing and
12 distribution facility, network distribution center, or
13 other facility which is operated by the Postal Serv-
14 ice, and the primary function of which is to sort and
15 process mail;

16 (4) the term “district office” means the central
17 office of an administrative field unit with responsi-
18 bility for postal operations in a designated geo-
19 graphic area (as defined under regulations, direc-
20 tives, or other guidance of the Postal Service, as in
21 effect on June 23, 2011);

22 (5) the term “area office” means the central of-
23 fice of an administrative field unit with responsibility
24 for postal operations in a designated geographic area
25 which is comprised of designated geographic areas
26 as referred to in paragraph (4);

1 (6) the term “baseline year” means the fiscal
2 year last ending before the date of the enactment of
3 this Act; and

4 (7) the term “Member of Congress” has the
5 meaning given such term by section 2106 of title 5,
6 United States Code.

7 **SEC. 103. COMMISSION ON POSTAL REORGANIZATION.**

8 (a) **ESTABLISHMENT.**—There shall be established,
9 not later than 90 days after the date of the enactment
10 of this Act, an independent commission to be known as
11 the “Commission on Postal Reorganization” (hereinafter
12 in this section referred to as the “Commission”).

13 (b) **DUTIES.**—The Commission shall carry out the
14 duties specified for it in this subtitle.

15 (c) **MEMBERS.**—

16 (1) **IN GENERAL.**—The Commission shall be
17 composed of 5 members who shall be appointed by
18 the President, and of whom—

19 (A) 1 shall be appointed from among indi-
20 viduals recommended by the Speaker of the
21 House of Representatives;

22 (B) 1 shall be appointed from among indi-
23 viduals recommended by the majority leader of
24 the Senate;

1 (C) 1 shall be appointed from among indi-
2 viduals recommended by the minority leader of
3 the House of Representatives;

4 (D) 1 shall be appointed from among indi-
5 viduals recommended by the minority leader of
6 the Senate; and

7 (E) 1 shall be appointed from among indi-
8 viduals recommended by the Comptroller Gen-
9 eral.

10 (2) QUALIFICATIONS.—

11 (A) IN GENERAL.—Members of the Com-
12 mission shall be chosen to represent the public
13 interest generally, and shall not be representa-
14 tives of specific interests using the Postal Serv-
15 ice.

16 (B) INELIGIBILITY.—An individual may
17 not be appointed to serve as a member of the
18 Commission if such individual served as an em-
19 ployee of the Postal Service or the Postal Regu-
20 latory Commission, or of a labor organization
21 representing employees of the Postal Service or
22 the Postal Regulatory Commission, during the
23 3-year period ending on the date of such ap-
24 pointment.

1 (3) POLITICAL AFFILIATION.—Not more than 3
2 members of the Commission may be of the same po-
3 litical party.

4 (d) TERMS.—Each member of the Commission shall
5 be appointed for the life of the Commission and may be
6 removed only for cause.

7 (e) VACANCIES.—A vacancy in the Commission shall
8 be filled in the same manner as the original appointment.

9 (f) CHAIRMAN.—The President shall, at the time of
10 making appointments under subsection (c), designate one
11 of the members to serve as chairman of the Commission.

12 (g) COMPENSATION AND TRAVEL EXPENSES.—

13 (1) COMPENSATION.—

14 (A) IN GENERAL.—Except as provided in
15 subparagraph (B), each member of the Com-
16 mission shall be paid at a rate equal to the
17 daily equivalent of \$40,000 per year for each
18 day (including travel time) during which the
19 member is engaged in the actual performance of
20 duties vested in the Commission.

21 (B) EXCEPTION.—Any member of the
22 Commission who is a full-time officer or em-
23 ployee of the United States or a Member of
24 Congress may not receive additional pay, allow-

1 ances, or benefits by reason of such member's
2 service on the Commission.

3 (2) TRAVEL EXPENSES.—Each member shall
4 receive travel expenses, including per diem in lieu of
5 subsistence, in accordance with applicable provisions
6 of subchapter I of chapter 57 of title 5, United
7 States Code.

8 (h) DIRECTOR.—The Commission shall have a Direc-
9 tor who shall be appointed by the Commission. The Direc-
10 tor shall be paid at the rate of basic pay for level IV of
11 the Executive Schedule under section 5315 of title 5,
12 United States Code. An appointment under this sub-
13 section shall be subject to the requirements of subsection
14 (c)(2).

15 (i) ADDITIONAL PERSONNEL.—With the approval of
16 the Commission, the Director may appoint and fix the pay
17 of such additional personnel as the Director considers ap-
18 propriate. Such additional personnel may be appointed
19 without regard to the provisions of title 5, United States
20 Code, governing appointments in the competitive service,
21 and may be paid without regard to the provisions of chap-
22 ter 51 and subchapter III of chapter 53 of such title relat-
23 ing to classification and General Schedule pay rates, ex-
24 cept that an individual so appointed may not receive pay
25 at a rate of basic pay in excess of the rate of basic pay

1 payable to the Director. An individual appointed under
2 this subsection shall serve at the pleasure of the Director.

3 (j) PROVISIONS RELATING TO DETAILS.—

4 (1) IN GENERAL.—Upon request of the Direc-
5 tor, the head of any Federal department or agency
6 may detail any of the personnel of such department
7 or agency to the Commission to assist the Commis-
8 sion in carrying out its duties under this subtitle.
9 Notwithstanding any other provision of law, to pro-
10 vide continuity in the work of the Commission, such
11 details may be extended beyond 1 year at the re-
12 quest of the Director.

13 (2) NUMERICAL LIMITATION.—Not more than
14 $\frac{1}{3}$ of the personnel of the Commission may consist
15 of individuals on detail from the Postal Service or
16 the Postal Regulatory Commission.

17 (3) OTHER LIMITATIONS.—A person may not
18 be detailed to the Commission from the Postal Serv-
19 ice or the Postal Regulatory Commission if such per-
20 son participated personally and substantially on any
21 matter, within the Postal Service or the Postal Reg-
22 ulatory Commission, concerning the preparation of
23 recommendations for closures or consolidations of
24 postal facilities under this subtitle. No employee of
25 the Postal Service or the Postal Regulatory Commis-

1 sion (including a detailee to the Postal Service or
2 the Postal Regulatory Commission) may—

3 (A) prepare any report concerning the ef-
4 fectiveness, fitness, or efficiency of the perform-
5 ance, on the staff of the Commission, of any
6 person detailed from the Postal Service or the
7 Postal Regulatory Commission to such staff;

8 (B) review the preparation of such a re-
9 port; or

10 (C) approve or disapprove such a report.

11 (k) OTHER AUTHORITIES.—

12 (1) EXPERTS AND CONSULTANTS.—The Com-
13 mission may procure by contract, to the extent funds
14 are available, temporary or intermittent services
15 under section 3109 of title 5, United States Code.

16 (2) LEASING, ETC.—The Commission may lease
17 space and acquire personal property to the extent
18 funds are available.

19 (l) AUTHORIZATION OF APPROPRIATIONS.—In order
20 to carry out this section, there are authorized to be appro-
21 priated out of the Postal Service Fund \$20,000,000,
22 which funds shall remain available until expended.

23 (m) FINANCIAL REPORTING.—

24 (1) AUDIT AND EXPENDITURES.—The Commis-
25 sion shall be responsible for issuing annual financial

1 statements and for establishing and maintaining
2 adequate controls over its financial reporting.

3 (2) INTERNAL AUDITS.—The Commission shall
4 maintain an adequate internal audit of its financial
5 transactions.

6 (3) ANNUAL CERTIFICATION.—The Commission
7 shall obtain an annual certification for each fiscal
8 year from an independent, certified public account-
9 ing firm of the accuracy of its financial statements.

10 (4) COMPTROLLER GENERAL.—The accounts
11 and operations of the Commission shall be audited
12 by the Comptroller General and reports thereon
13 made to the Congress to the extent and at such
14 times as the Comptroller General may determine.

15 (n) TERMINATION.—The Commission shall terminate
16 60 days after submitting its final reports under section
17 104(d)(3).

18 **SEC. 104. RECOMMENDATIONS FOR CLOSURES AND CON-**
19 **SOLIDATIONS.**

20 (a) PLAN FOR THE CLOSURE OR CONSOLIDATION OF
21 POSTAL RETAIL FACILITIES.—

22 (1) IN GENERAL.—Not later than 120 days
23 after the date of the enactment of this Act, the Post-
24 al Service, in consultation with the Postal Regu-
25 latory Commission, shall develop and submit to the

1 Commission on Postal Reorganization a plan for the
2 closure or consolidation of such postal retail facilities
3 as the Postal Service considers necessary and appro-
4 priate so that the total annual costs attributable to
5 the operation of postal retail facilities will be, for
6 each fiscal year beginning at least 2 years after the
7 date on which the Commission transmits to Con-
8 gress its final report under subsection (d)(3)(A) re-
9 lating to this subsection, at least \$1,000,000,000
10 less than the corresponding total annual costs for
11 the baseline year.

12 (2) CONTENTS.—The plan shall include—

13 (A) a list of the postal retail facilities pro-
14 posed for closure or consolidation under this
15 subtitle;

16 (B) a proposed schedule under which—

17 (i) closures and consolidations of post-
18 al retail facilities would be carried out
19 under this subtitle; and

20 (ii) all closures and consolidations of
21 postal retail facilities under this subtitle
22 would be completed by not later than 2
23 years after the date on which the Commis-
24 sion transmits to Congress its final report

1 under subsection (d)(3)(A) relating to such
2 plan;

3 (C) the estimated total annual cost savings
4 attributable to the proposed closures and con-
5 solidations described in the plan;

6 (D) the criteria and process used to de-
7 velop the information described in subpara-
8 graphs (A) and (B);

9 (E) the methodology and assumptions used
10 to derive the estimates described in subpara-
11 graph (C); and

12 (F) any changes to the processing, trans-
13 portation, delivery, or other postal operations
14 anticipated as a result of the proposed closures
15 and consolidations described in the plan.

16 (3) CONSISTENCY.—The methodology and as-
17 sumptions used to derive the cost estimates de-
18 scribed in paragraph (2)(C) shall be consistent with
19 the methodology and assumptions which would have
20 been used by the Postal Service if those closures and
21 consolidations had instead taken effect in the base-
22 line year.

23 (b) PLAN FOR THE CLOSURE OR CONSOLIDATION OF
24 MAIL PROCESSING FACILITIES.—

1 (1) IN GENERAL.—Not later than 300 days
2 after the date of the enactment of this Act, the Post-
3 al Service, in consultation with the Inspector Gen-
4 eral of the United States Postal Service, shall de-
5 velop and submit to the Commission on Postal Reor-
6 ganization a plan for the closure or consolidation of
7 such mail processing facilities as the Postal Service
8 considers necessary and appropriate so that—

9 (A) the total annual costs attributable to
10 the operation of mail processing facilities will
11 be, for each fiscal year beginning at least 2
12 years after the date on which the Commission
13 transmits to Congress its final report under
14 subsection (d)(3)(A) relating to this subsection,
15 at least \$1,000,000,000 less than the cor-
16 responding total annual costs for the baseline
17 year; and

18 (B) the Postal Service has, for fiscal years
19 beginning at least 2 years after the date on
20 which the Commission transmits to Congress its
21 final report under subsection (d)(3)(A) relating
22 to this subsection, no more than 10 percent ex-
23 cess mail processing capacity.

24 (2) CONTENTS.—The plan shall include—

1 (A) a list of the mail processing facilities
2 proposed for closure or consolidation under this
3 subtitle;

4 (B) a proposed schedule under which—

5 (i) closures and consolidations of mail
6 processing facilities would be carried out
7 under this subtitle; and

8 (ii) all closures and consolidations of
9 mail processing facilities under this sub-
10 title would be completed by not later than
11 2 years after the date on which the Com-
12 mission transmits to Congress its final re-
13 port under subsection (d)(3)(A) relating to
14 such plan;

15 (C) the estimated total annual cost savings
16 attributable to the proposed closures and con-
17 solidations described in the plan;

18 (D) the criteria and process used to de-
19 velop the information described in subpara-
20 graphs (A) and (B);

21 (E) the methodology and assumptions used
22 to derive the estimates described in subpara-
23 graph (C); and

24 (F) any changes to the processing, trans-
25 portation, delivery, or other postal operations

1 anticipated as a result of the proposed closures
2 and consolidations described in the plan.

3 (3) CONSISTENCY.—The methodology and as-
4 sumptions used to derive the cost estimates de-
5 scribed in paragraph (2)(C) shall be consistent with
6 the methodology and assumptions which would have
7 been used by the Postal Service if those closures and
8 consolidations had instead taken effect in the base-
9 line year.

10 (4) EXCESS MAIL PROCESSING CAPACITY.—The
11 Commission shall cause to be published in the Fed-
12 eral Register notice of a proposed definition of “ex-
13 cess mail processing capacity” for purposes of this
14 section within 120 days after the date of the enact-
15 ment of this Act, and shall provide a period of 30
16 days for public comment on the proposed definition.
17 Not later than 180 days after the date of the enact-
18 ment of this Act, the Commission shall issue and
19 cause to be published in the Federal Register a final
20 definition of “excess mail processing capacity” for
21 purposes of this section. Such definition shall in-
22 clude an estimate of the total amount of excess mail
23 processing capacity in mail processing facilities as of
24 the date of the enactment of this Act.

1 (c) PLAN FOR THE CLOSURE OR CONSOLIDATION OF
2 AREA AND DISTRICT OFFICES.—

3 (1) IN GENERAL.—Not later than 300 days
4 after the date of the enactment of this Act, the Post-
5 al Service, in consultation with the Inspector Gen-
6 eral of the United States Postal Service, shall de-
7 velop and submit to the Commission on Postal Reor-
8 ganization a plan for the closure or consolidation of
9 such area and district offices as the Postal Service
10 considers necessary and appropriate so that the com-
11 bined total number of area and district offices will
12 be, for each fiscal year beginning at least 2 years
13 after the date on which the Commission transmits to
14 Congress its final report under subsection (d)(3)(A)
15 relating to this subsection, at least 30 percent less
16 than the corresponding combined total for the base-
17 line year.

18 (2) CONTENTS.—The plan shall include—

19 (A) a list of the area and district offices
20 proposed for closure or consolidation under this
21 subtitle;

22 (B) a proposed schedule under which—

23 (i) closures and consolidations of area
24 and district offices would be carried out
25 under this subtitle; and

1 (ii) all closures and consolidations of
2 area and district offices under this subtitle
3 would be completed by not later than 2
4 years after the date on which the Commis-
5 sion transmits to Congress its final report
6 under subsection (d)(3)(A) relating to such
7 plan;

8 (C) the estimated total annual cost savings
9 attributable to the proposed closures and con-
10 solidations described in the plan;

11 (D) the criteria and process used to de-
12 velop the information described in subpara-
13 graphs (A) and (B);

14 (E) the methodology and assumptions used
15 to derive the estimates described in subpara-
16 graph (C); and

17 (F) any changes to the processing, trans-
18 portation, delivery, or other postal operations
19 anticipated as a result of the proposed closures
20 and consolidations described in the plan.

21 (3) CONSISTENCY.—The methodology and as-
22 sumptions used to derive the cost estimates de-
23 scribed in paragraph (2)(C) shall be consistent with
24 the methodology and assumptions which would have
25 been used by the Postal Service if those closures and

1 consolidations had instead taken effect in the base-
2 line year.

3 (d) REVIEW AND RECOMMENDATIONS OF THE COM-
4 MISSION.—

5 (1) INITIAL REPORTS.—

6 (A) IN GENERAL.—After receiving the plan
7 of the Postal Service under subsection (a), (b),
8 or (c), the Commission on Postal Reorganiza-
9 tion shall transmit to Congress and publish in
10 the Federal Register a report under this para-
11 graph, which shall contain the Commission's
12 findings based on a review and analysis of such
13 plan, together with the Commission's initial rec-
14 ommendations for closures and consolidations
15 of postal facilities, mail processing facilities, or
16 area and district offices (as the case may be).

17 (B) EXPLANATION OF CHANGES.—The
18 Commission shall explain and justify in its re-
19 port any recommendations made by the Com-
20 mission that are different from those contained
21 in the Postal Service plan to which such report
22 pertains.

23 (C) DEADLINES.—A report of the Commis-
24 sion under this paragraph shall be transmitted

1 and published, in accordance with subparagraph
2 (A), within—

3 (i) if the report pertains to the plan
4 under subsection (a), 60 days after the
5 date on which the Commission receives
6 such plan; or

7 (ii) if the report pertains to the plan
8 under subsection (b) or (c), 90 days after
9 the date on which the Commission receives
10 such plan.

11 (2) PUBLIC HEARINGS.—

12 (A) IN GENERAL.—After receiving the plan
13 of the Postal Service under subsection (a), (b),
14 or (c), the Commission on Postal Reorganiza-
15 tion shall conduct at least 5 public hearings on
16 such plan. The hearings shall be conducted in
17 geographic areas chosen so as to reflect a
18 broadly representative range of needs and inter-
19 ests.

20 (B) TESTIMONY.—All testimony before the
21 Commission at a public hearing conducted
22 under this paragraph shall be given under oath.

23 (C) DEADLINES.—All hearings under this
24 paragraph shall be completed within 60 days
25 after the date as of which the Commission sat-

1 isfies the requirements of paragraph (1) with
2 respect to such plan.

3 (3) FINAL REPORTS.—

4 (A) IN GENERAL.—After satisfying the re-
5 quirements of paragraph (2) with respect to the
6 plan of the Postal Service under subsection (a),
7 (b), or (c) (as the case may be), the Commis-
8 sion shall transmit to Congress and publish in
9 the Federal Register a report under this para-
10 graph containing a summary of the hearings
11 conducted with respect to such plan, together
12 with the Commission’s final recommendations
13 for closures and consolidations of postal facili-
14 ties, mail processing facilities, or area and dis-
15 trict offices (as the case may be).

16 (B) APPROVAL.—Recommendations under
17 subparagraph (A) shall not be considered to be
18 final recommendations unless they are made
19 with—

20 (i) except as provided in clause (ii),
21 the concurrence of at least 4 members of
22 the Commission; or

23 (ii) to the extent that the require-
24 ments of subsection (b)(1)(A) or (c)(1) are
25 not met, with the concurrence of all sitting

1 members, but only if the shortfall (relative
2 to the requirements of subsection (b)(1)(A)
3 or (c)(1), as the case may be) does not ex-
4 ceed 25 percent.

5 (C) CONTENTS.—A report under this para-
6 graph shall include—

7 (i) the information required by para-
8 graph (2) of subsection (a), (b), or (c) (as
9 the case may be); and

10 (ii) a description of the operations
11 that will be affected by the closure or con-
12 solidation and the facilities or offices which
13 will be performing or ceasing to perform
14 such operations as a result of such closure
15 or consolidation.

16 (D) DEADLINES.—A report of the Com-
17 mission under this paragraph shall be trans-
18 mitted and published, in accordance with sub-
19 paragraph (A), within 60 days after the date as
20 of which the Commission satisfies the require-
21 ments of paragraph (2) with respect to the plan
22 involved.

1 **SEC. 105. IMPLEMENTATION OF CLOSURES AND CONSOLI-**
2 **DATIONS.**

3 (a) IN GENERAL.—Subject to subsection (b), the
4 Postal Service shall—

5 (1) close or consolidate (as the case may be) the
6 facilities and offices recommended by the Commis-
7 sion in each of its final reports under section
8 104(d)(3); and

9 (2) carry out those closures and consolidations
10 in accordance with the timetable recommended by
11 the Commission in such report, except that in no
12 event shall any such closure or consolidation be com-
13 pleted later than 2 years after the date on which
14 such report is submitted to Congress.

15 (b) CONGRESSIONAL DISAPPROVAL.—

16 (1) IN GENERAL.—The Postal Service may not
17 carry out any closure or consolidation recommended
18 by the Commission in a final report if a joint resolu-
19 tion disapproving the recommendations of the Com-
20 mission is enacted, in accordance with section 106,
21 before the earlier of—

22 (A) the end of the 30-day period beginning
23 on the date on which the Commission transmits
24 those recommendations to Congress under sec-
25 tion 104(d)(3); or

1 (B) the adjournment of the Congress sine
2 die for the session during which such report is
3 transmitted.

4 (2) DAYS OF SESSION.—For purposes of para-
5 graph (1) and subsections (a) and (c) of section 106,
6 the days on which either House of Congress is not
7 in session because of an adjournment of more than
8 7 days to a day certain shall be excluded in the com-
9 putation of a period.

10 **SEC. 106. CONGRESSIONAL CONSIDERATION OF FINAL CPR**
11 **REPORTS.**

12 (a) TERMS OF THE RESOLUTION.—For purposes of
13 this subtitle, the term “joint resolution”, as used with re-
14 spect to a report under section 104(d)(3), means only a
15 joint resolution—

16 (1) which is introduced within the 10-day pe-
17 riod beginning on the date on which such report is
18 received by Congress;

19 (2) the matter after the resolving clause of
20 which is as follows: “That Congress disapproves the
21 recommendations of the Commission on Postal Reor-
22 ganization, submitted by such Commission on _____,
23 and pertaining to the closure or consolidation of
24 _____.”, the first blank space being filled in with the
25 appropriate date and the second blank space being

1 filled in with “postal facilities”, “mail processing fa-
2 cilities”, or “area and district offices” (as the case
3 may be);

4 (3) the title of which is as follows: “Joint reso-
5 lution disapproving the recommendations of the
6 Commission on Postal Reorganization.”; and

7 (4) which does not have a preamble.

8 (b) REFERRAL.—A resolution described in subsection
9 (a) that is introduced in the House of Representatives or
10 the Senate shall be referred to the appropriate committees
11 of the House of Representatives or the Senate, respec-
12 tively.

13 (c) DISCHARGE.—If the committee to which a resolu-
14 tion described in subsection (a) is referred has not re-
15 ported such resolution (or an identical resolution) by the
16 end of the 20-day period beginning on the date on which
17 the Commission transmits the report (to which such reso-
18 lution pertains) to Congress under section 104(d)(3), such
19 committee shall, at the end of such period, be discharged
20 from further consideration of such resolution, and such
21 resolution shall be placed on the appropriate calendar of
22 the House involved.

23 (d) CONSIDERATION.—

24 (1) IN GENERAL.—On or after the third day
25 after the date on which the committee to which such

1 a resolution is referred has reported, or has been
2 discharged (under subsection (c)) from further con-
3 sideration of, such a resolution, it is in order (even
4 though a previous motion to the same effect has
5 been disagreed to) for any Member of the respective
6 House to move to proceed to the consideration of the
7 resolution. A Member may make the motion only on
8 the day after the calendar day on which the Member
9 announces to the House concerned the Member's in-
10 tention to make the motion, except that, in the case
11 of the House of Representatives, the motion may be
12 made without such prior announcement if the mo-
13 tion is made by direction of the committee to which
14 the resolution was referred. All points of order
15 against the resolution (and against consideration of
16 the resolution) are waived. The motion is highly
17 privileged in the House of Representatives and is
18 privileged in the Senate and is not debatable. The
19 motion is not subject to amendment, or to a motion
20 to postpone, or to a motion to proceed to the consid-
21 eration of other business. A motion to reconsider the
22 vote by which the motion is agreed to or disagreed
23 to shall not be in order. If a motion to proceed to
24 the consideration of the resolution is agreed to, the
25 respective House shall immediately proceed to con-

1 sideration of the joint resolution without intervening
2 motion, order, or other business, and the resolution
3 shall remain the unfinished business of the respec-
4 tive House until disposed of.

5 (2) DEBATE.—Debate on the resolution, and on
6 all debatable motions and appeals in connection
7 therewith, shall be limited to not more than 2 hours,
8 which shall be divided equally between those favoring
9 and those opposing the resolution. An amendment to
10 the resolution is not in order. A motion further to
11 limit debate is in order and not debatable. A motion
12 to postpone, or a motion to proceed to the consider-
13 ation of other business, or a motion to recommit the
14 resolution is not in order. A motion to reconsider the
15 vote by which the resolution is agreed to or dis-
16 agreed to is not in order.

17 (3) VOTE ON FINAL PASSAGE.—Immediately
18 following the conclusion of the debate on a resolu-
19 tion described in subsection (a) and a single quorum
20 call at the conclusion of the debate if requested in
21 accordance with the rules of the appropriate House,
22 the vote on final passage of the resolution shall
23 occur.

24 (4) APPEALS.—Appeals from the decisions of
25 the Chair relating to the application of the rules of

1 the Senate or the House of Representatives, as the
2 case may be, to the procedure relating to a resolu-
3 tion described in subsection (a) shall be decided
4 without debate.

5 (e) CONSIDERATION BY OTHER HOUSE.—

6 (1) IN GENERAL.—If, before the passage by one
7 House of a resolution of that House described in
8 subsection (a), that House receives from the other
9 House a resolution (described in subsection (a)) re-
10 lating to the same report, then the following proce-
11 dures shall apply:

12 (A) The resolution of the other House shall
13 not be referred to a committee and may not be
14 considered in the House receiving it except in
15 the case of final passage as provided in sub-
16 paragraph (B)(ii).

17 (B) With respect to the resolution de-
18 scribed in subsection (a) (relating to the report
19 in question) of the House receiving the resolu-
20 tion—

21 (i) the procedure in that House shall
22 be the same as if no resolution (relating to
23 the same report) had been received from
24 the other House; but

1 (ii) the vote on final passage shall be
2 on the resolution of the other House.

3 (2) DISPOSITION OF A RESOLUTION.—Upon
4 disposition of the resolution received from the other
5 House, it shall no longer be in order to consider the
6 resolution that originated in the receiving House.

7 (f) RULES OF THE SENATE AND HOUSE.—This sec-
8 tion is enacted by Congress—

9 (1) as an exercise of the rulemaking power of
10 the Senate and House of Representatives, respec-
11 tively, and as such it is deemed a part of the rules
12 of each House, respectively, but applicable only with
13 respect to the procedure to be followed in that
14 House in the case of a resolution described in sub-
15 section (a), and it supersedes other rules only to the
16 extent that it is inconsistent with such rules; and

17 (2) with full recognition of the constitutional
18 right of either House to change the rules (so far as
19 relating to the procedure of that House) at any time,
20 in the same manner, and to the same extent as in
21 the case of any other rule of that House.

22 **SEC. 107. NONAPPEALABILITY OF DECISIONS.**

23 (a) TO PRC.—The closing or consolidation of any fa-
24 cility or office under this subtitle may not be appealed to
25 the Postal Regulatory Commission under section 404(d)

1 or any other provision of title 39, United States Code, or
2 the subject of an advisory opinion issued by the Postal
3 Regulatory Commission under section 3661 of such title.

4 (b) JUDICIAL REVIEW.—No process, report, rec-
5 ommendation, or other action of the Commission on Postal
6 Reorganization shall be subject to judicial review.

7 **SEC. 108. RULES OF CONSTRUCTION.**

8 (a) CONTINUED AVAILABILITY OF AUTHORITY TO
9 CLOSE OR CONSOLIDATE POSTAL FACILITIES.—

10 (1) IN GENERAL.—Nothing in this subtitle shall
11 be considered to prevent the Postal Service from
12 closing or consolidating any postal facilities, in ac-
13 cordance with otherwise applicable provisions of law,
14 either before or after the implementation of any clo-
15 sures or consolidations under this subtitle.

16 (2) COORDINATION RULE.—No appeal or deter-
17 mination under section 404(d) of title 39, United
18 States Code, or any other provision of law shall
19 delay, prevent, or otherwise affect any closure or
20 consolidation under this subtitle.

21 (b) INAPPLICABILITY OF CERTAIN PROVISIONS.—

22 (1) IN GENERAL.—The provisions of law identi-
23 fied in paragraph (2)—

24 (A) shall not apply to any closure or con-
25 solidation carried out under this subtitle; and

1 (B) shall not be taken into account for
2 purposes of carrying out section 103 or 104.

3 (2) PROVISIONS IDENTIFIED.—The provisions
4 of law under this paragraph are—

5 (A) section 101(b) of title 39, United
6 States Code; and

7 (B) section 404(d) of title 39, United
8 States Code.

9 **Subtitle B—Other Provisions**

10 **SEC. 111. FREQUENCY OF MAIL DELIVERY.**

11 Section 101 is amended by adding at the end the fol-
12 lowing:

13 “(h) Nothing in this title or any other provision of
14 law shall be considered to prevent the Postal Service from
15 taking whatever actions may be necessary to provide for
16 5-day delivery of mail and a commensurate adjustment in
17 rural delivery of mail, subject to the requirements of sec-
18 tion 3661.”.

19 **SEC. 112. EFFICIENT AND FLEXIBLE UNIVERSAL POSTAL** 20 **SERVICE.**

21 (a) POSTAL POLICY.—

22 (1) IN GENERAL.—Section 101(b) is amended
23 to read as follows:

1 “(b) The Postal Service shall provide effective and
2 regular postal services to rural areas, communities, and
3 small towns where post offices are not self-sustaining.”.

4 (2) CONFORMING AMENDMENTS.—(A) Clause
5 (iii) of section 404(d)(2)(A) is amended to read as
6 follows:

7 “(iii) whether such closing or consolidation
8 is consistent with the policy of the Government,
9 as stated in section 101(b), that the Postal
10 Service shall provide effective and regular post-
11 al services to rural areas, communities, and
12 small towns where post offices are not self-sus-
13 taining;”.

14 (B) Section 2401(b)(1) is amended (in the mat-
15 ter before subparagraph (A)), by striking “a max-
16 imum degree of”.

17 (b) GENERAL DUTY.—Paragraph (3) of section
18 403(b) is amended to read as follows:

19 “(3) to ensure that postal patrons throughout
20 the Nation will, consistent with reasonable econo-
21 mies of postal operations, have ready access to es-
22 sential postal services.”.

23 (c) PRC REVIEW OF DETERMINATIONS TO CLOSE
24 OR CONSOLIDATE A POST OFFICE.—

1 (1) DEADLINE FOR REVIEW.—Section
2 404(d)(5) is amended by striking “120 days” and
3 inserting “60 days”.

4 (2) EXCLUSION FROM REVIEW.—Section 404(d)
5 is amended by adding at the end the following:

6 “(7)(A) The appeals process set forth in paragraph
7 (5) shall not apply to a determination of the Postal Service
8 to close a post office if there is located, within 2 miles
9 of such post office, a qualified contract postal unit.

10 “(B) For purposes of this paragraph—

11 “(i) the term ‘contract postal unit’ means a
12 store or other place of business which—

13 “(I) is not owned or operated by the Postal
14 Service; and

15 “(II) in addition to its usual operations,
16 provides postal services to the general public
17 under contract with the Postal Service; and

18 “(ii) the term ‘qualified contract postal unit’, as
19 used in connection with a post office, means a con-
20 tract postal unit which—

21 “(I) begins to provide postal services to the
22 general public during the period—

23 “(aa) beginning 1 year before the date
24 on which the closure or consolidation of

1 such post office is scheduled to take effect;
2 and

3 “(bb) ending on the 15th day after
4 the date on which the closure or consolida-
5 tion of such post office is scheduled to take
6 effect; and

7 “(II) has not, pursuant to subparagraph
8 (A), served as the basis for exempting any other
9 post office from the appeals process set forth in
10 paragraph (5).

11 “(C)(i) If the contract postal unit (which is providing
12 postal services that had been previously provided by the
13 post office that was closed) does not continue to provide
14 postal services, as required by subparagraph (B)(i)(II), for
15 at least the 2-year period beginning on the date on which
16 such post office was closed, the contract postal unit shall
17 be subject to a closure determination by the Postal Service
18 to decide whether a post office must be reopened within
19 the area (delimited by the 2-mile radius referred to in sub-
20 paragraph (A)).

21 “(ii) A decision under clause (i) not to reopen a post
22 office may be appealed to the Postal Regulatory Commis-
23 sion under procedures which the Commission shall by reg-
24 ulation prescribe. Such procedures shall be based on para-
25 graph (5), except that, for purposes of this clause, para-

1 graph (5)(C) shall be applied by substituting ‘in violation
2 of section 101(b), leaving postal patrons without effective
3 and regular access to postal services’ for ‘unsupported by
4 substantial evidence on the record’.”.

5 (3) APPLICABILITY.—The amendments made
6 by this subsection shall not apply with respect to
7 any appeal, notice of which is received by the Postal
8 Regulatory Commission before the date of the enact-
9 ment of this Act (determined applying the rules set
10 forth in section 404(d)(6) of title 39, United States
11 Code).

12 (d) EXPEDITED PROCEDURES.—

13 (1) IN GENERAL.—Section 3661 is amended by
14 adding at the end the following:

15 “(d)(1) The Commission shall issue its opinion within
16 90 days after the receipt of any proposal (as referred to
17 in subsection (b)) concerning—

18 “(A) the closing or consolidation of post offices
19 to a degree that will generally affect service on a na-
20 tionwide or substantially nationwide basis; or

21 “(B) an identical or substantially identical pro-
22 posal on which the Commission issued an opinion
23 within the preceding 5 years.

24 “(2) If necessary in order to comply with the 90-day
25 requirement under paragraph (1), the Commission may

1 apply expedited procedures which the Commission shall by
2 regulation prescribe.”.

3 (2) REGULATIONS.—The Postal Regulatory
4 Commission shall prescribe any regulations nec-
5 essary to carry out the amendment made by para-
6 graph (1) within 90 days after the date of the enact-
7 ment of this Act.

8 (3) APPLICABILITY.—The amendment made by
9 this subsection shall apply with respect to any pro-
10 posal received by the Postal Regulatory Commission
11 on or after the earlier of—

12 (A) the 90th day after the date of the en-
13 actment of this Act; or

14 (B) the effective date of the regulations
15 under paragraph (2).

16 **SEC. 113. MORE COST-EFFICIENT POSTAL SERVICE CON-**
17 **TRACTING.**

18 (a) IN GENERAL.—Section 410 is amended—

19 (1) in subsection (b), by striking paragraph (4)
20 and inserting the following:

21 “(4) sections 3114–3116, 3118, 3131, and
22 3133;” and

23 (2) by striking subsection (d).

24 (b) APPLICABILITY.—The amendments made by sub-
25 section (a) shall be effective with respect to contracts and

1 agreements first entered into on or after the date of the
2 enactment of this Act.

3 **SEC. 114. ENHANCED REPORTING ON POSTAL SERVICE EF-**
4 **FICIENCY.**

5 Section 3652(a) is amended—

6 (1) in paragraph (1), by striking “and” after
7 the semicolon;

8 (2) in paragraph (2), by striking the period at
9 the end and inserting “; and”; and

10 (3) by adding after paragraph (2) the following:

11 “(3) which shall provide the overall change in
12 Postal Service productivity and the resulting effect
13 of such change on overall Postal Service costs during
14 such year, using such methodologies as the Commis-
15 sion shall by regulation prescribe.”.

16 **TITLE II—POSTAL SERVICE FI-**
17 **NANCIAL RESPONSIBILITY**
18 **AND MANAGEMENT ASSIST-**
19 **ANCE AUTHORITY**
20 **Subtitle A—Establishment and**
21 **Organization**

22 **SEC. 201. PURPOSES.**

23 (a) PURPOSES.—The purposes of this title are as fol-
24 lows:

1 (1) To eliminate budget deficits and cash short-
2 ages of the Postal Service through visionary finan-
3 cial planning, sound budgeting, accurate revenue
4 forecasts, and careful spending.

5 (2) To ensure the universal service mandate de-
6 tailed in section 101 of title 39, United States Code,
7 is maintained during a period of fiscal emergency.

8 (3) To conduct necessary investigations and
9 studies to determine the fiscal status and oper-
10 ational efficiency of the Postal Service.

11 (4) To assist the Postal Service in—

12 (A) restructuring its organization and
13 workforce to bring expenses in line with dimin-
14 ishing revenue and generate sufficient profits
15 for capital investment and repayment of debt;

16 (B) meeting all fiscal obligations to the
17 Treasury of the United States; and

18 (C) ensuring the appropriate and efficient
19 delivery of postal services.

20 (5) To provide the Postal Service with a tem-
21 porary increase in its borrowing authority to enable
22 the Postal Service to complete necessary restruc-
23 turing.

1 (6) To ensure the long-term financial, fiscal,
2 and economic vitality and operational efficiency of
3 the Postal Service.

4 (b) RESERVATION OF POWERS.—Nothing in this title
5 may be construed—

6 (1) to relieve any obligations existing as of the
7 date of the enactment of this Act of the Postal Serv-
8 ice to the Treasury of the United States; or

9 (2) to limit the authority of Congress to exer-
10 cise ultimate legislative authority over the Postal
11 Service.

12 **SEC. 202. ESTABLISHMENT OF THE AUTHORITY.**

13 (a) ESTABLISHMENT.—There shall be established,
14 upon the commencement of any control period, an entity
15 to be known as the “Postal Service Financial Responsi-
16 bility and Management Assistance Authority” (hereinafter
17 in this title referred to as the “Authority”).

18 (b) CONTROL PERIOD.—

19 (1) COMMENCEMENT OF A CONTROL PERIOD.—

20 For purposes of this title, a control period com-
21 mences whenever the Postal Service has been in de-
22 fault to the Treasury of the United States, with re-
23 spect to any loans, bonds, notes, or other form of
24 borrowing, for a period of at least 30 days.

1 (2) TREATMENT OF AUTHORITIES AND RESPON-
2 SIBILITIES OF THE BOARD OF GOVERNORS, ETC.
3 DURING A CONTROL PERIOD.—During a control pe-
4 riod—

5 (A) all authorities and responsibilities of
6 the Board of Governors, and the individual
7 Governors, of the Postal Service under title 39,
8 United States Code, and any other provision of
9 law shall be assumed by the Authority; and

10 (B) the Board of Governors, and the indi-
11 vidual Governors, may act in an advisory capac-
12 ity only.

13 (3) TREATMENT OF CERTAIN POSTAL SERVICE
14 EXECUTIVES DURING A CONTROL PERIOD.—

15 (A) DEFINITION.—For the purposes of
16 this section, the term “Level-Two Postal Serv-
17 ice Executive” includes the Postmaster General,
18 the Deputy Postmaster General, and all other
19 officers or employees of the Postal Service in
20 level two of the Postal Career Executive Service
21 (or the equivalent).

22 (B) TREATMENT.—Notwithstanding any
23 other provision of law or employment contract,
24 during a control period—

1 (i) all Level-Two Postal Service Ex-
2 ecutives shall serve at the pleasure of the
3 Authority;

4 (ii) the duties and responsibilities of
5 all Level-Two Postal Service Executives, as
6 well as the terms and conditions of their
7 employment (including their compensa-
8 tion), shall be subject to determination or
9 redetermination by the Authority;

10 (iii) total compensation of a Level-
11 Two Postal Service Executive may not, for
12 any year in such control period, exceed the
13 annual rate of basic pay payable for level
14 I of the Executive Schedule under section
15 5312 of title 5, United States Code, for
16 such year; for purposes of this clause, the
17 term “total compensation” means basic
18 pay, bonuses, awards, and all other mone-
19 tary compensation;

20 (iv) the percentage by which the rate
21 of basic pay of a Level-Two Postal Service
22 Executive is increased during any year in
23 such control period may not exceed the
24 percentage change in the Consumer Price
25 Index for All Urban Consumers, unadjust-

1 ed for seasonal variation, for the most re-
2 cent 12-month period available, except
3 that, in the case of a Level-Two Postal
4 Service Executive who has had a signifi-
5 cant change in job responsibilities, a great-
6 er change shall be allowable if approved by
7 the Authority;

8 (v) apart from basic pay, a Level-Two
9 Postal Service Executive may not be af-
10 forded any bonus, award, or other mone-
11 tary compensation for any fiscal year in
12 the control period if expenditures of the
13 Postal Service for such fiscal year exceeded
14 revenues of the Postal Service for such fis-
15 cal year (determined in accordance with
16 generally accepted accounting principles);
17 and

18 (vi) no deferred compensation may be
19 paid, accumulated, or recognized in the
20 case of any Level-Two Postal Service Exec-
21 utive, with respect to any year in a control
22 period, which is not generally paid, accu-
23 mulated, or recognized in the case of em-
24 ployees of the United States (outside of the
25 Postal Service) in level I of the Executive

1 Schedule under section 5312 of title 5,
2 United States Code, with respect to such
3 year.

4 (C) BONUS AUTHORITY.—Section 3686 of
5 title 39, United States Code, shall, during the
6 period beginning on the commencement date of
7 the control period and ending on the termi-
8 nation date of the control period—

9 (i) be suspended with respect to all
10 Level-Two Postal Service Executives; but

11 (ii) remain in effect for all other offi-
12 cers and employees of the Postal Service
13 otherwise covered by this section.

14 (4) TERMINATION OF A CONTROL PERIOD.—
15 Subject to subtitle D, a control period terminates
16 upon certification by the Authority, with the concur-
17 rence of the Secretary of the Treasury and the Di-
18 rector of the Office of Personnel Management,
19 that—

20 (A) for 2 consecutive fiscal years (occur-
21 ring after the date of the enactment of this
22 Act), expenditures of the Postal Service did not
23 exceed revenues of the Postal Service (as deter-
24 mined in accordance with generally accepted ac-
25 counting principles);

1 (B) the Authority has approved a Postal
2 Service financial plan and budget that shows
3 expenditures of the Postal Service not exceeding
4 revenues of the Postal Service (as so deter-
5 mined) for the fiscal year to which such budget
6 pertains and each of the next 3 fiscal years;
7 and

8 (C) the Postal Service financial plan and
9 budget (as referred to in subparagraph (B)) in-
10 cludes plans—

11 (i) for the repayment of any supple-
12 mentary debt under section 222, in equal
13 annual installments over a period of not
14 more than 10 years; and

15 (ii) to properly fund Postal Service
16 pensions and retiree health benefits in ac-
17 cordance with law.

18 **SEC. 203. MEMBERSHIP AND QUALIFICATION REQUIRE-**
19 **MENTS.**

20 (a) MEMBERSHIP.—

21 (1) IN GENERAL.—The Authority shall consist
22 of 5 members appointed by the President who meet
23 the qualifications described in subsection (b), except
24 that the Authority may take any action under this

1 title at any time after the President has appointed
2 4 of its members.

3 (2) RECOMMENDATIONS.—Of the 5 members so
4 appointed—

5 (A) 1 shall be appointed from among indi-
6 viduals recommended by the Speaker of the
7 House of Representatives;

8 (B) 1 shall be appointed from among indi-
9 viduals recommended by the majority leader of
10 the Senate;

11 (C) 1 shall be appointed from among indi-
12 viduals recommended by the minority leader of
13 the House of Representatives;

14 (D) 1 shall be appointed from among indi-
15 viduals recommended by the minority leader of
16 the Senate; and

17 (E) 1 shall be appointed from among indi-
18 viduals recommended by the Comptroller Gen-
19 eral.

20 (3) POLITICAL AFFILIATION.—No more than 3
21 members of the Authority may be of the same polit-
22 ical party.

23 (4) CHAIR.—The President shall designate 1 of
24 the members of the Authority as the Chair of the
25 Authority.

1 (5) SENSE OF CONGRESS REGARDING DEAD-
2 LINE FOR APPOINTMENT.—It is the sense of Con-
3 gress that the President should appoint the members
4 of the Authority as soon as practicable after the
5 date on which a control period commences, but no
6 later than 30 days after such date.

7 (6) TERM OF SERVICE.—

8 (A) IN GENERAL.—Except as provided in
9 subparagraph (B), each member of the Author-
10 ity shall be appointed for a term of 3 years.

11 (B) APPOINTMENT FOR TERM FOLLOWING
12 INITIAL TERM.—As designated by the President
13 at the time of appointment for the term imme-
14 diately following the initial term, of the mem-
15 bers appointed for the term immediately fol-
16 lowing the initial term—

17 (i) 1 member shall be appointed for a
18 term of 1 year;

19 (ii) 2 members shall be appointed for
20 a term of 2 years; and

21 (iii) 2 members shall be appointed for
22 a term of 3 years.

23 (C) REMOVAL.—The President may re-
24 move any member of the Authority only for
25 cause.

1 (D) NO COMPENSATION FOR SERVICE.—
2 Members of the Authority shall serve without
3 pay, but may receive reimbursement for any
4 reasonable and necessary expenses incurred by
5 reason of service on the Authority.

6 (b) QUALIFICATION REQUIREMENTS.—

7 (1) IN GENERAL.—An individual meets the
8 qualifications for membership on the Authority if the
9 individual—

10 (A) has significant knowledge and exper-
11 tise in finance, management, and the organiza-
12 tion or operation of businesses having more
13 than 500 employees; and

14 (B) represents the public interest gen-
15 erally, is not a representative of specific inter-
16 ests using or belonging to the Postal Service,
17 and does not have any business or financial in-
18 terest in any enterprise in the private sector of
19 the economy engaged in the delivery of mail
20 matter.

21 (2) SPECIFIC CONDITIONS.—An individual shall
22 not be considered to satisfy paragraph (1)(B) if, at
23 any time during the 5-year period ending on the
24 date of appointment, such individual—

1 (A) has been an officer, employee, or pri-
2 vate contractor with the Postal Service or the
3 Postal Regulatory Commission; or

4 (B) has served as an employee or con-
5 tractor of a labor organization representing em-
6 ployees of the Postal Service or the Postal Reg-
7 ulatory Commission.

8 **SEC. 204. ORGANIZATION.**

9 (a) **ADOPTION OF BY-LAWS FOR CONDUCTING BUSI-**
10 **NESS.**—As soon as practicable after the appointment of
11 its members, the Authority shall adopt by-laws, rules, and
12 procedures governing its activities under this title, includ-
13 ing procedures for hiring experts and consultants. Upon
14 adoption, such by-laws, rules, and procedures shall be sub-
15 mitted by the Authority to the Postmaster General, the
16 President, and Congress.

17 (b) **CERTAIN ACTIVITIES REQUIRING APPROVAL OF**
18 **MAJORITY OF MEMBERS.**—Under its by-laws, the Author-
19 ity may conduct its operations under such procedures as
20 it considers appropriate, except that an affirmative vote
21 of a majority of the members of the Authority shall be
22 required in order for the Authority to—

23 (1) approve or disapprove a financial plan and
24 budget as described by subtitle C;

1 (2) implement recommendations on financial
2 stability and management responsibility under sec-
3 tion 226;

4 (3) take any action under authority of section
5 202(b)(3)(B)(i);

6 (4) require the immediate renegotiation of an
7 existing collective bargaining agreement in accord-
8 ance with section 211(g)(1); or

9 (5) reject, modify, or terminate 1 or more terms
10 of an existing collective bargaining agreement in ac-
11 cordance with section 211(g)(2).

12 **SEC. 205. EXECUTIVE DIRECTOR AND STAFF.**

13 (a) EXECUTIVE DIRECTOR.—The Authority shall
14 have an Executive Director who shall be appointed by the
15 Chair with the consent of the Authority. The Executive
16 Director shall be paid at a rate determined by the Author-
17 ity, except that such rate may not exceed the rate of basic
18 pay payable for level IV of the Executive Schedule under
19 section 5315 of title 5, United States Code.

20 (b) STAFF.—With the approval of the Authority, the
21 Executive Director may appoint and fix the pay of such
22 additional personnel as the Executive Director considers
23 appropriate, except that no individual appointed by the
24 Executive Director may be paid at a rate greater than the
25 rate of pay for the Executive Director. Personnel ap-

1 pointed under this subsection shall serve at the pleasure
2 of the Executive Director.

3 (c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE
4 LAWS.—The Executive Director and staff of the Authority
5 may be appointed without regard to the provisions of title
6 5, United States Code, governing appointments in the
7 competitive service, and paid without regard to the provi-
8 sions of chapter 51 and subchapter III of chapter 53 of
9 such title relating to classification and General Schedule
10 pay rates.

11 (d) STAFF OF FEDERAL AGENCIES.—Upon request
12 of the Chair, the head of any Federal department or agen-
13 cy may detail, on a reimbursable or nonreimbursable basis,
14 any of the personnel of such department or agency to the
15 Authority to assist it in carrying out its duties under this
16 title.

17 **SEC. 206. FUNDING.**

18 (a) IN GENERAL.—There are authorized to be appro-
19 priated, out of the Postal Service Fund, such sums as may
20 be necessary for the Authority. In requesting an appro-
21 priation under this section for a fiscal year, the Authority
22 shall prepare and submit to the Congress under section
23 2009 of title 39, United States Code, a budget of the
24 Authority's expenses, including expenses for facilities, sup-
25 plies, compensation, and employee benefits not to exceed

1 \$10,000,000. In years in which a control period com-
2 mences, the Authority shall submit a budget within 30
3 days of the appointment of the members of the Authority.

4 (b) AMENDMENT TO SECTION 2009.—Section 2009
5 is amended in the next to last sentence—

6 (1) by striking “, and (3)” and inserting “,
7 (3)”; and

8 (2) by striking the period and inserting “, and
9 (4) the Postal Service Financial Responsibility and
10 Management Assistance Authority requests to be ap-
11 propriated, out of the Postal Service Fund, under
12 section 206 of the Postal Reform Act of 2011.”.

13 **Subtitle B—Powers of the** 14 **Authority**

15 **SEC. 211. POWERS.**

16 (a) POWERS OF MEMBERS AND AGENTS.—Any mem-
17 ber or agent of the Authority may, if authorized by the
18 Authority, take any action which the Authority is author-
19 ized by this section to take.

20 (b) OBTAINING OFFICIAL DATA FROM THE POSTAL
21 SERVICE.—Notwithstanding any other provision of law,
22 the Authority may secure copies of such records, docu-
23 ments, information, or data from any entity of the Postal
24 Service necessary to enable the Authority to carry out its
25 responsibilities under this title. At the request of the Au-

1 thority, the Authority shall be granted direct access to
2 such information systems, records, documents, informa-
3 tion, or data as will enable the Authority to carry out its
4 responsibilities under this title. The head of the relevant
5 entity of the Postal Service shall provide the Authority
6 with such information and assistance (including granting
7 the Authority direct access to automated or other informa-
8 tion systems) as the Authority requires under this sub-
9 section.

10 (c) GIFTS, BEQUESTS, AND DEVISES.—The Author-
11 ity may accept, use, and dispose of gifts, bequests, or de-
12 vises of services or property, both real and personal, for
13 the purpose of aiding or facilitating the work of the Au-
14 thority. Gifts, bequests, or devises of money and proceeds
15 from sales of other property received as gifts, bequests,
16 or devises shall be deposited in such account as the Au-
17 thority may establish and shall be available for disburse-
18 ment upon order of the Chair.

19 (d) ADMINISTRATIVE SUPPORT SERVICES.—Upon
20 the request of the Authority, the Administrator of General
21 Services may provide to the Authority, on a reimbursable
22 basis, the administrative support services necessary for the
23 Authority to carry out its responsibilities under this title.

24 (e) AUTHORITY TO ENTER INTO CONTRACTS.—The
25 Executive Director may enter into such contracts as the

1 Executive Director considers appropriate (subject to the
2 approval of the Chair) to carry out the Authority's respon-
3 sibilities under this title.

4 (f) CIVIL ACTIONS TO ENFORCE POWERS.—The Au-
5 thority may seek judicial enforcement of its authority to
6 carry out its responsibilities under this title.

7 (g) COLLECTIVE BARGAINING.—Notwithstanding
8 any other provision of law—

9 (1) the Authority may require the renegotiation
10 of an existing collective bargaining agreement to
11 achieve specific economic savings and workforce
12 flexibility goals; and

13 (2) after meeting and conferring with the ap-
14 propriate bargaining representative, the Authority
15 may reject, modify, or terminate 1 or more terms or
16 conditions of an existing collective bargaining agree-
17 ment if—

18 (A) a prompt and satisfactory agreement
19 under paragraph (1) is unlikely; and

20 (B) in the judgment of the Authority, the
21 rejection, modification, or termination—

22 (i) is reasonable and necessary for the
23 Postal Service to be a financially viable
24 provider of universal postal service to the
25 Nation; and

1 (ii) is designed to achieve the specific
2 economic savings or workforce flexibility
3 goals (as the case may be) referred to in
4 paragraph (1).

5 (h) PENALTIES.—

6 (1) ADMINISTRATIVE DISCIPLINE.—Any officer
7 or employee of the Postal Service who takes or fails
8 to take any action which is noncompliant with any
9 directive or other order of the Authority under sec-
10 tion 226(c) shall be subject to appropriate adminis-
11 trative discipline, including suspension from duty
12 without pay or removal from office, by order of ei-
13 ther the Postmaster General or the Authority.

14 (2) REPORTING REQUIREMENT.—Whenever an
15 officer or employee of the Postal Service takes or
16 fails to take any action which is noncompliant with
17 any directive or other order of the Authority under
18 section 226(c), the Postmaster General shall imme-
19 diately report to the Authority all pertinent facts, to-
20 gether with a statement of any actions taken by the
21 Postmaster General or proposed by the Postmaster
22 General to be taken under paragraph (1).

1 **SEC. 212. EXEMPTION FROM LIABILITY FOR CLAIMS.**

2 The Authority and its members may not be liable for
3 any obligation of or claim against the Postal Service re-
4 sulting from actions taken to carry out this title.

5 **SEC. 213. TREATMENT OF ACTIONS ARISING UNDER THIS**
6 **TITLE.**

7 (a) **JURISDICTION ESTABLISHED IN UNITED STATES**
8 **COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA.—**
9 A person (including the Postal Service) adversely affected
10 or aggrieved by an order or decision of the Authority may,
11 within 30 days after such order or decision becomes final,
12 institute proceedings for review thereof by filing a petition
13 in the United States Court of Appeals for the District of
14 Columbia. The court shall review the order or decision in
15 accordance with section 706 of title 5, United States Code,
16 and chapter 158 and section 2112 of title 28, United
17 States Code, on the basis of the record before the Author-
18 ity.

19 (b) **PROMPT APPEAL TO THE SUPREME COURT.—**
20 Notwithstanding any other provision of law, review by the
21 Supreme Court of the United States of a decision of the
22 Court of Appeals which is issued pursuant to subsection
23 (a) may be had only if the petition for such review is filed
24 within 10 days after the entry of such decision.

25 (c) **TIMING OF RELIEF.—**No order of any court
26 granting declaratory or injunctive relief against the Au-

1 thority, including relief permitting or requiring the obliga-
2 tion, borrowing, or expenditure of funds, shall take effect
3 during the pendency of the action before such court, dur-
4 ing the time appeal may be taken, or (if appeal is taken)
5 during the period before the court has entered its final
6 order disposing of such action.

7 (d) EXPEDITED CONSIDERATION.—It shall be the
8 duty of the United States Court of Appeals for the District
9 of Columbia and the Supreme Court of the United States
10 to advance on the docket and to expedite to the greatest
11 possible extent the disposition of any matter brought
12 under subsection (a).

13 **Subtitle C—Establishment and En-**
14 **forcement of Financial Plan and**
15 **Budget for the Postal Service**

16 **SEC. 221. DEVELOPMENT OF FINANCIAL PLAN AND BUDG-**
17 **ET FOR THE POSTAL SERVICE.**

18 (a) DEVELOPMENT OF FINANCIAL PLAN AND BUDG-
19 ET.—For each fiscal year for which the Postal Service is
20 in a control period, the Postmaster General shall develop
21 and submit to the Authority a financial plan and budget
22 for the Postal Service in accordance with this section.

23 (b) CONTENTS OF FINANCIAL PLAN AND BUDGET.—
24 A financial plan and budget for the Postal Service for a
25 fiscal year shall specify the budget for the Postal Service

1 as required by section 2009 of title 39, United States
2 Code, for the applicable fiscal year and the next 3 fiscal
3 years, in accordance with the following requirements:

4 (1) The financial plan and budget shall meet
5 the standards described in subsection (c) to promote
6 the financial stability of the Postal Service.

7 (2) The financial plan and budget shall—

8 (A) include the Postal Service’s annual
9 budget program (under section 2009 of title 39,
10 United States Code) and the Postal Service’s
11 plan commonly referred to as its “Integrated
12 Financial Plan”;

13 (B) describe lump-sum expenditures by all
14 categories traditionally used by the Postal Serv-
15 ice;

16 (C) describe capital expenditures (together
17 with a schedule of projected capital commit-
18 ments and cash outlays of the Postal Service
19 and proposed sources of funding);

20 (D) contain estimates of overall debt (both
21 outstanding and anticipated to be issued); and

22 (E) contain cash flow and liquidity fore-
23 casts for the Postal Service at such intervals as
24 the Authority may require.

1 (3) The financial plan and budget shall include
2 a statement describing methods of estimations and
3 significant assumptions.

4 (4) The financial plan and budget shall include
5 any other provisions and shall meet such other cri-
6 teria as the Authority considers appropriate to meet
7 the purposes of this title, including provisions for—

8 (A) changes in personnel policies and levels
9 for each component of the Postal Service; and

10 (B) management initiatives to promote
11 productivity, improvement in the delivery of
12 services, or cost savings.

13 (c) STANDARDS TO PROMOTE FINANCIAL STA-
14 BILITY.—

15 (1) IN GENERAL.—The standards to promote
16 the financial stability of the Postal Service applica-
17 ble to the financial plan and budget for a fiscal year
18 are as follows:

19 (A) In each fiscal year (following the first
20 full fiscal year) in a control period, budgeted
21 expenditures of the Postal Service for the fiscal
22 year involved may not exceed budgeted revenues
23 of the Postal Service for the fiscal year in-
24 volved.

1 (B) In each fiscal year in a control period,
2 the Postal Service shall make continuous, sub-
3 stantial progress towards long-term fiscal sol-
4 vency and shall have either a lower deficit or
5 greater surplus than in the previous fiscal year.

6 (C) The Postal Service shall provide for
7 the orderly liquidation of any supplementary
8 debt under section 222.

9 (D) The financial plan and budget shall
10 assure the continuing long-term financial sta-
11 bility of the Postal Service, as indicated by fac-
12 tors such as the efficient management of the
13 Postal Service's workforce and the effective pro-
14 vision of services by the Postal Service.

15 (2) APPLICATION OF SOUND BUDGETARY PRAC-
16 TICES.—In meeting the standard described in para-
17 graph (1) with respect to a financial plan and budg-
18 et for a fiscal year, the Postal Service shall apply
19 sound budgetary practices, including reducing costs
20 and other expenditures, improving productivity, in-
21 creasing revenues, or a combination of such prac-
22 tices.

23 (3) ASSUMPTIONS BASED ON CURRENT LAW.—
24 In meeting the standards described in paragraph (1)
25 with respect to a financial plan and budget for a fis-

1 cal year, the Postal Service shall base estimates of
2 revenues and expenditures on Federal law as in ef-
3 fect at the time of the preparation of such financial
4 plan and budget.

5 **SEC. 222. SUPPLEMENTARY BORROWING AUTHORITY DUR-**
6 **ING A CONTROL PERIOD.**

7 (a) IN GENERAL.—Upon the commencement of a
8 control period, subject to the approval of the Authority,
9 the Postal Service is authorized to borrow money and issue
10 and sell such obligations as may be necessary to carry out
11 the purposes of this title, to the same extent, in the same
12 manner, and subject to the same terms and conditions as
13 if the maximum amount allowable under the provisions of
14 section 2005(a)(2) of title 39, United States Code, for the
15 fiscal year involved were equal to the maximum amount
16 which (but for this section) would otherwise be allowable
17 under such provisions, increased by \$10,000,000,000.

18 (b) EXCLUSION.—The last sentence of section
19 2005(a)(1) of title 39, United States Code, shall not apply
20 with respect to any amounts borrowed or obligations
21 issued or sold under authority of this section (which, but
22 for subsection (a), would not otherwise have been allow-
23 able).

24 (c) DEPOSIT.—Any amounts received under this sec-
25 tion shall be deposited in the Postal Service Fund.

1 (d) COLLATERAL.—For the purposes of funds ac-
2 quired under subsection (a), the Postal Service shall pro-
3 vide an appropriate level of collateral in the form of
4 pledged Postal Service property assets.

5 **SEC. 223. PROCESS FOR SUBMISSION AND APPROVAL OF FI-**
6 **NANCIAL PLAN AND BUDGET.**

7 (a) IN GENERAL.—For each fiscal year for which the
8 Postal Service is in a control period, the Postmaster Gen-
9 eral shall submit to the Authority—

10 (1) by February 1 before the start of such fiscal
11 year, a preliminary financial plan and budget under
12 section 221 for such fiscal year; and

13 (2) by August 31 before the start of such fiscal
14 year, a final financial plan and budget under section
15 221 for such fiscal year.

16 (b) REVIEW BY AUTHORITY.—Upon receipt of a fi-
17 nancial plan and budget under subsection (a) (whether
18 preliminary or final), the Authority shall promptly review
19 such financial plan and budget. In conducting the review,
20 the Authority may request any additional information it
21 considers necessary and appropriate to carry out its duties
22 under this subtitle.

23 (c) APPROVAL OF POSTMASTER GENERAL'S FINAN-
24 CIAL PLAN AND BUDGET.—

1 (1) CERTIFICATION TO POSTMASTER GEN-
2 ERAL.—

3 (A) IN GENERAL.—If the Authority deter-
4 mines that the final financial plan and budget
5 for the fiscal year submitted by the Postmaster
6 General under subsection (a) meets the require-
7 ments of section 221—

8 (i) the Authority shall approve the fi-
9 nancial plan and budget and shall provide
10 the Postmaster General, the President, and
11 Congress with a notice certifying its ap-
12 proval; and

13 (ii) the Postmaster General shall
14 promptly submit the annual budget pro-
15 gram to the Office of Management and
16 Budget pursuant to section 2009 of title
17 39, United States Code.

18 (B) DEEMED APPROVAL AFTER 30 DAYS.—

19 (i) IN GENERAL.—If the Authority
20 has not provided the Postmaster General,
21 the President, and Congress with a notice
22 certifying approval under subparagraph
23 (A)(i) or a statement of disapproval under
24 subsection (d) before the expiration of the
25 30-day period which begins on the date the

1 Authority receives the financial plan and
2 budget from the Postmaster General under
3 subsection (a), the Authority shall be
4 deemed to have approved the financial plan
5 and budget and to have provided the Post-
6 master General, the President, and Con-
7 gress with the notice certifying approval
8 under subparagraph (A)(i).

9 (ii) EXPLANATION OF FAILURE TO
10 RESPOND.—If clause (i) applies with re-
11 spect to a financial plan and budget, the
12 Authority shall provide the Postmaster
13 General, the President and Congress with
14 an explanation for its failure to provide the
15 notice certifying approval or the statement
16 of disapproval during the 30-day period de-
17 scribed in such clause.

18 (d) DISAPPROVAL OF POSTMASTER GENERAL'S
19 BUDGET.—If the Authority determines that the final fi-
20 nancial plan and budget for the fiscal year submitted by
21 the Postmaster General under subsection (a) does not
22 meet the requirements applicable under section 221, the
23 Authority shall disapprove the financial plan and budget,
24 and shall provide the Postmaster General, the President,
25 and Congress with a statement containing—

1 (1) the reasons for such disapproval;

2 (2) the amount of any shortfall in the budget
3 or financial plan; and

4 (3) any recommendations for revisions to the
5 budget the Authority considers appropriate to ensure
6 that the budget is consistent with the financial plan
7 and budget.

8 (e) AUTHORITY REVIEW OF POSTMASTER GEN-
9 ERAL'S REVISED FINAL FINANCIAL PLAN AND BUDG-
10 ET.—

11 (1) SUBMISSION OF POSTMASTER GENERAL'S
12 REVISED FINAL FINANCIAL PLAN AND BUDGET.—

13 Not later than 15 days after receiving the statement
14 from the Authority under subsection (d), the Post-
15 master General shall promptly adopt a revised final
16 financial plan and budget for the fiscal year which
17 addresses the reasons for the Authority's disapproval
18 cited in the statement, and shall submit such finan-
19 cial plan and budget to the Authority.

20 (2) APPROVAL OF POSTMASTER GENERAL'S RE-
21 VISED FINAL FINANCIAL PLAN AND BUDGET.—If,

22 after reviewing the revised final financial plan and
23 budget for a fiscal year submitted by the Postmaster
24 General under paragraph (1) in accordance with the
25 procedures described in this section, the Authority

1 determines that the revised final financial plan and
2 budget meets the requirements applicable under sec-
3 tion 221—

4 (A) the Authority shall approve the finan-
5 cial plan and budget and shall provide the Post-
6 master General, the President, and Congress
7 with a notice certifying its approval; and

8 (B) the Postmaster General shall promptly
9 submit the annual budget program to the Office
10 of Management and Budget pursuant to section
11 2009 of title 39, United States Code.

12 (3) DISAPPROVAL OF POSTMASTER GENERAL'S
13 REVISED FINAL FINANCIAL PLAN AND BUDGET.—

14 (A) IN GENERAL.—If, after reviewing the
15 revised final financial plan and budget for a fis-
16 cal year submitted by the Postmaster General
17 under paragraph (1) in accordance with the
18 procedures described in this subsection, the Au-
19 thority determines that the revised final finan-
20 cial plan and budget does not meet the applica-
21 ble requirements under section 221, the Author-
22 ity shall—

23 (i) disapprove the financial plan and
24 budget;

1 (ii) provide the Postmaster General,
2 the President, and Congress with a state-
3 ment containing the reasons for such dis-
4 approval and describing the amount of any
5 shortfall in the financial plan and budget;
6 and

7 (iii) approve and recommend a finan-
8 cial plan and budget for the Postal Service
9 which meets the applicable requirements
10 under section 221, and submit such finan-
11 cial plan and budget to the Postmaster
12 General, the President, and Congress.

13 (B) SUBMISSION TO OMB.—Upon receipt
14 of the recommended financial plan and budget
15 subparagraph (A)(iii), the Postmaster General
16 shall promptly submit the recommended annual
17 budget program to the Office of Management
18 and Budget pursuant to section 2009 of title
19 39, United States Code.

20 (4) DEEMED APPROVAL AFTER 15 DAYS.—

21 (A) IN GENERAL.—If the Authority has
22 not provided the Postmaster General, the Presi-
23 dent, and Congress with a notice certifying ap-
24 proval under paragraph (2)(A) or a statement
25 of disapproval under paragraph (3) before the

1 expiration of the 15-day period which begins on
2 the date the Authority receives the revised final
3 financial plan and budget submitted by the
4 Postmaster General under paragraph (1), the
5 Authority shall be deemed to have approved the
6 revised final financial plan and budget and to
7 have provided the Postmaster General, the
8 President, and Congress with the notice certi-
9 fying approval described in paragraph (2)(A).

10 (B) EXPLANATION OF FAILURE TO RE-
11 SPOND.—If subparagraph (A) applies with re-
12 spect to a financial plan and budget, the Au-
13 thority shall provide the Postmaster General,
14 the President and Congress with an explanation
15 for its failure to provide the notice certifying
16 approval or the statement of disapproval during
17 the 15-day period described in such subpara-
18 graph.

19 (f) DEADLINE FOR TRANSMISSION OF FINANCIAL
20 PLAN AND BUDGET BY AUTHORITY.—Notwithstanding
21 any other provision of this section, not later than June
22 15 before each fiscal year which is a control period, the
23 Authority shall—

24 (1) provide Congress with a notice certifying its
25 approval of the Postmaster General’s initial financial

1 plan and budget for the fiscal year under subsection
2 (e)(1);

3 (2) provide Congress with a notice certifying its
4 approval of the Postmaster General's revised final fi-
5 nancial plan and budget for the fiscal year under
6 subsection (e)(2); or

7 (3) submit to Congress an approved and rec-
8 ommended financial plan and budget of the Author-
9 ity for the Postal Service for the fiscal year under
10 subsection (e)(3)(A)(iii).

11 (g) REVISIONS TO FINANCIAL PLAN AND BUDGET.—

12 (1) PERMITTING POSTMASTER GENERAL TO
13 SUBMIT REVISIONS.—The Postmaster General may
14 submit proposed revisions to the financial plan and
15 budget for a control period to the Authority at any
16 time during the year.

17 (2) PROCESS FOR REVIEW, APPROVAL, DIS-
18 APPROVAL, AND POSTMASTER GENERAL ACTION.—
19 Except as provided in paragraph (3), the procedures
20 described in subsections (b), (c), (d), and (e) shall
21 apply with respect to a proposed revision to a finan-
22 cial plan and budget in the same manner as such
23 procedures apply with respect to the original finan-
24 cial plan and budget.

1 (3) EXCEPTION FOR REVISIONS NOT AFFECT-
2 ING SPENDING.—To the extent that a proposed revi-
3 sion to a financial plan and budget adopted by the
4 Postmaster General pursuant to this subsection does
5 not increase the amount of spending with respect to
6 any account of the Postal Service, the revision shall
7 become effective upon the Authority’s approval of
8 such revision.

9 **SEC. 224. RESPONSIBILITIES OF THE AUTHORITY.**

10 (a) IN GENERAL.—The Authority shall direct the ex-
11 ercise of the powers of the Postal Service, including—

12 (1) determining its vision and overall strategies;

13 (2) determining its organizational structure,
14 particularly for senior management at the level of
15 vice president and higher;

16 (3) hiring, monitoring, compensating, and,
17 when necessary, replacing senior management at the
18 level of vice president and higher, as well as ensur-
19 ing adequate succession planning for these positions;

20 (4) approving major policies, particularly those
21 that have an important effect on the Postal Service’s
22 financial position and the provision of universal
23 postal service;

24 (5) approving corporate budgets, financial and
25 capital plans, operational and service performance

1 standards and targets, human resources strategies,
2 collective bargaining strategies, negotiation param-
3 eters, and collective bargaining agreements, and the
4 compensation structure for nonbargaining employ-
5 ees;

6 (6) approving substantial capital projects and
7 any substantial disposition of capital assets, such as
8 surplus property;

9 (7) approving changes in rates and classifica-
10 tions, new products and services, policy regarding
11 other substantial matters before the Postal Regu-
12 latory Commission, and any appeals of its decisions
13 or orders to the Federal courts;

14 (8) approving the Postal Service Annual Re-
15 port, Annual Comprehensive Statement, and stra-
16 tegic plans, performance plans, and performance
17 program reports under chapter 28 of title 39,
18 United States Code;

19 (9) formulating and communicating organiza-
20 tional policy and positions on legislative and other
21 public policy matters to Congress and the public;

22 (10) ensuring organizational responsiveness to
23 oversight by Congress, the Postal Regulatory Com-
24 mission, the Treasury of the United States, and
25 other audit entities;

1 (11) ensuring adequate internal controls and
2 selecting, monitoring, and compensating an inde-
3 pendent public accounting firm to conduct an annual
4 audit of the Postal Service; and

5 (12) carrying out any responsibility, not other-
6 wise listed in this subsection, that was the responsi-
7 bility of the Board of Governors at any time during
8 the 5-year period ending on the date of the enact-
9 ment of this Act.

10 (b) REVIEW OF POSTAL SERVICE PROPOSALS.—

11 (1) SUBMISSION OF POSTAL SERVICE PRO-
12 POSALS TO THE AUTHORITY.—During a control pe-
13 riod, the Postmaster General shall submit to the Au-
14 thority any proposal that has a substantial effect on
15 any item listed in subsection (a).

16 (2) PROMPT REVIEW BY AUTHORITY.—Upon re-
17 ceipt of a proposal from the Postmaster General
18 under paragraph (1), the Authority shall promptly
19 review the proposal to determine whether it is con-
20 sistent with the applicable financial plan and budget
21 approved under this title.

22 (3) ACTIONS BY AUTHORITY.—

23 (A) APPROVAL.—If the Authority deter-
24 mines that a proposal is consistent with the ap-
25 plicable financial plan and budget, the Author-

1 ity shall notify the Postmaster General that it
2 approves the proposal.

3 (B) FINDING OF INCONSISTENCY.—If the
4 Authority determines that a proposal is signifi-
5 cantly inconsistent with the applicable financial
6 plan and budget, the Authority shall—

7 (i) notify the Postmaster General of
8 its finding;

9 (ii) provide the Postmaster General
10 with an explanation of the reasons for its
11 finding; and

12 (iii) to the extent the Authority con-
13 siders appropriate, provide the Postmaster
14 General with recommendations for modi-
15 fications to the proposal.

16 (4) DEEMED APPROVAL.—If the Authority does
17 not notify the Postmaster General that it approves
18 or disapproves a proposal submitted under this sub-
19 section during the 7-day period which begins on the
20 date the Postmaster General submits the proposal to
21 the Authority, the Authority shall be deemed to have
22 approved the proposal in accordance with paragraph
23 (3)(A). At the option of the Authority, the previous
24 sentence shall be applied as if the reference in such
25 sentence to “7-day period” were a reference to “14-

1 day period” if, during the 7-day period referred to
2 in the preceding sentence, the Authority so notifies
3 the Postmaster General.

4 (c) EFFECT OF APPROVED FINANCIAL PLAN AND
5 BUDGET ON CONTRACTS AND LEASES.—

6 (1) MANDATORY PRIOR APPROVAL FOR CER-
7 TAIN CONTRACTS AND LEASES.—

8 (A) IN GENERAL.—In the case of a con-
9 tract or lease described in subparagraph (B)
10 which is proposed to be entered into, renewed,
11 modified, or extended by the Postal Service dur-
12 ing a control period, the Postmaster General
13 (or the appropriate officer or agent of the Post-
14 al Service) shall submit the proposed contract
15 or lease to the Authority. The Authority shall
16 review each contract or lease submitted under
17 this subparagraph, and the Postmaster General
18 (or the appropriate officer or agent of the Post-
19 al Service) may not enter into the contract or
20 lease unless the Authority determines that the
21 proposed contract or lease is consistent with the
22 financial plan and budget for the fiscal year.

23 (B) CONTRACTS AND LEASES DE-
24 SCRIBED.—A contract or lease described in this
25 subparagraph is—

1 (i) a labor contract entered into
2 through collective bargaining; or

3 (ii) such other type of contract or
4 lease as the Authority may specify for pur-
5 poses of this subparagraph.

6 (2) AUTHORITY TO REVIEW OTHER CONTRACTS
7 AFTER EXECUTION.—

8 (A) IN GENERAL.—In addition to the prior
9 approval of certain contracts and leases, the
10 Postal Service shall submit to the Authority—

11 (i) any Level-Two Post Career Execu-
12 tive Service employee contract that is in ef-
13 fect during a control period; and

14 (ii) any collective bargaining agree-
15 ment entered into by the Postal Service
16 that is in effect during a control period.

17 Any such contract or agreement shall be sub-
18 mitted to the Authority upon the commence-
19 ment of a control period and at such other
20 times as the Authority may require.

21 (B) REVIEW BY AUTHORITY.—The Author-
22 ity shall review each contract submitted under
23 subparagraph (A) to determine if the contract
24 is consistent with the financial plan and budget
25 for the fiscal year. If the Authority determines

1 that the contract is not consistent with the fi-
2 nancial plan and budget, the Authority shall
3 take such actions as are within the Authority's
4 powers to revise the contract.

5 **SEC. 225. EFFECT OF FINDING NONCOMPLIANCE WITH FI-**
6 **NANCIAL PLAN AND BUDGET.**

7 (a) SUBMISSION OF REPORTS.—Not later than 30
8 days after the expiration of each quarter of each fiscal
9 year beginning in a control period, the Postmaster General
10 shall submit reports to the Authority describing the actual
11 revenues obtained and expenditures made by the Postal
12 Service during the quarter with its cash flows during the
13 quarter, and comparing such actual revenues, expendi-
14 tures, and cash flows with the most recent projections for
15 these items.

16 (b) ADDITIONAL INFORMATION.—If the Authority
17 determines, based on reports submitted by the Postmaster
18 General under subsection (a), independent audits, or such
19 other information as the Authority may obtain, that the
20 revenues or expenditures of the Postal Service during a
21 control period are not consistent with the financial plan
22 and budget for the year, the Authority shall require the
23 Postmaster General to provide such additional information
24 as the Authority determines to be necessary to explain the
25 inconsistency.

1 (c) CERTIFICATION OF VARIANCE.—

2 (1) IN GENERAL.—After requiring the Post-
3 master General to provide additional information
4 under subsection (b), the Authority shall certify to
5 the Postmaster General, the President, the Secretary
6 of the Treasury, and Congress that the Postal Serv-
7 ice is at variance with the financial plan and budget
8 unless—

9 (A) the additional information provides an
10 explanation for the inconsistency which the Au-
11 thority finds reasonable and appropriate; or

12 (B)(i) the Postal Service adopts or imple-
13 ments remedial action (including revising the fi-
14 nancial plan and budget pursuant to section
15 223(g)) to correct the inconsistency which the
16 Authority finds reasonable and appropriate,
17 taking into account the terms of the financial
18 plan and budget; and

19 (ii) the Postmaster General agrees to sub-
20 mit the reports described in subsection (a) on
21 a monthly basis for such period as the Author-
22 ity may require.

23 (2) SPECIAL RULE FOR INCONSISTENCIES AT-
24 TRIBUTABLE TO ACTS OF CONGRESS.—

1 (A) DETERMINATION BY AUTHORITY.—If
2 the Authority determines that the revenues or
3 expenditures of the Postal Service during a con-
4 trol period are not consistent with the financial
5 plan and budget for the year as approved by
6 the Authority under section 223 as a result of
7 the terms and conditions of any law enacted by
8 Congress which affects the Postal Service, the
9 Authority shall so notify the Postmaster Gen-
10 eral.

11 (B) CERTIFICATION.—In the case of an in-
12 consistency described in subparagraph (A), the
13 Authority shall certify to the Postmaster Gen-
14 eral, the President, the Secretary of the Treas-
15 ury, and Congress that the Postal Service is at
16 variance with the financial plan and budget un-
17 less the Postal Service adopts or implements re-
18 medial action (including revising the financial
19 plan and budget pursuant to section 202(e)) to
20 correct the inconsistency which the Authority
21 finds reasonable and appropriate, taking into
22 account the terms of the financial plan and
23 budget.

24 (d) EFFECT OF CERTIFICATION.—If the Authority
25 certifies to the Secretary of the Treasury that a variance

1 exists the Authority or the Secretary may withhold access
2 by the Postal Service to additional supplementary debt au-
3 thorized by this title.

4 **SEC. 226. RECOMMENDATIONS REGARDING FINANCIAL**
5 **STABILITY, ETC.**

6 (a) IN GENERAL.—The Authority may at any time
7 submit recommendations to the Postmaster General, the
8 President, and Congress on actions the Postal Service or
9 any other entity of the Federal Government should take
10 to ensure compliance by the Postal Service with a financial
11 plan and budget or to otherwise promote the financial sta-
12 bility, management responsibility, and service delivery effi-
13 ciency of the Postal Service, including recommendations
14 relating to—

15 (1) the management of the Postal Service’s fi-
16 nancial affairs, including cash forecasting, informa-
17 tion technology, placing controls on expenditures for
18 personnel, reducing benefit costs, reforming procure-
19 ment practices, and placing other controls on ex-
20 penditures;

21 (2) the relationship between the Postal Service
22 and other entities of the Federal Government;

23 (3) the structural relationship of subdivisions
24 within the Postal Service;

1 (4) the modification of existing revenue struc-
2 tures, or the establishment of additional revenue
3 structures;

4 (5) the establishment of alternatives for meet-
5 ing obligations to pay for the pensions and retire-
6 ment benefits of current and future Postal Service
7 retirees;

8 (6) modifications of services which are the re-
9 sponsibility of and are delivered by the Postal Serv-
10 ice;

11 (7) modifications of the types of services which
12 are delivered by entities other than the Postal Serv-
13 ice under alternative service delivery mechanisms;

14 (8) the effects of Federal Government laws and
15 court orders on the operations of the Postal Service;

16 (9) the increased use of a personnel system for
17 employees of the Postal Service which is based upon
18 employee performance standards; and

19 (10) the improvement of personnel training and
20 proficiency, the adjustment of staffing levels, and
21 the improvement of training and performance of
22 management and supervisory personnel.

23 (b) RESPONSE TO RECOMMENDATIONS FOR ACTIONS
24 WITHIN AUTHORITY OF POSTAL SERVICE.—

1 (1) IN GENERAL.—In the case of any rec-
2 ommendations submitted under subsection (a) dur-
3 ing a control year which are within the authority of
4 the Postal Service to adopt, not later than 90 days
5 after receiving the recommendations, the Postmaster
6 General shall submit a statement to the Authority,
7 the President, and Congress which provides notice as
8 to whether the Postal Service will adopt the rec-
9 ommendations.

10 (2) IMPLEMENTATION PLAN REQUIRED FOR
11 ADOPTED RECOMMENDATIONS.—If the Postmaster
12 General notifies the Authority and Congress under
13 paragraph (1) that the Postal Service will adopt any
14 of the recommendations submitted under subsection
15 (a), the Postmaster General shall include in the
16 statement a written plan to implement the rec-
17 ommendation which includes—

18 (A) specific performance measures to de-
19 termine the extent to which the Postal Service
20 has adopted the recommendation; and

21 (B) a schedule for auditing the Postal
22 Service’s compliance with the plan.

23 (3) EXPLANATIONS REQUIRED FOR REC-
24 COMMENDATIONS NOT ADOPTED.—If the Postmaster
25 General notifies the Authority, the President, and

1 Congress under paragraph (1) that the Postal Serv-
2 ice will not adopt any recommendation submitted
3 under subsection (a) which the Postal Service has
4 authority to adopt, the Postmaster General shall in-
5 clude in the statement explanations for the rejection
6 of the recommendations.

7 (c) IMPLEMENTATION OF REJECTED RECOMMENDA-
8 TIONS BY AUTHORITY.—

9 (1) IN GENERAL.—If the Postmaster General
10 notifies the Authority, the President, and Congress
11 under subsection (b)(1) that the Postal Service will
12 not adopt any recommendation submitted under sub-
13 section (a) which the Postal Service has authority to
14 adopt, the Authority may by a majority vote of its
15 members take such action concerning the rec-
16 ommendation as it deems appropriate, after con-
17 sulting with the Committee on Oversight and Gov-
18 ernment Reform of the House of Representatives
19 and the Committee on Homeland Security and Gov-
20 ernmental Affairs of the Senate.

21 (2) EFFECTIVE DATE.—This subsection shall
22 apply with respect to recommendations of the Au-
23 thority made after the expiration of the 6-month pe-
24 riod which begins on the date of the commencement
25 of a control period.

1 **SEC. 227. SPECIAL RULES FOR FISCAL YEAR IN WHICH**
2 **CONTROL PERIOD COMMENCES.**

3 (a) ADOPTION OF TRANSITION BUDGET.—Notwith-
4 standing any provision of section 223 to the contrary, in
5 the case of a fiscal year in which a control period com-
6 mences, the following rules shall apply:

7 (1) Not later than 45 days after the appoint-
8 ment of its members, the Authority shall review the
9 proposed Integrated Financial Plan for the Postal
10 Service for such fiscal year and shall submit any rec-
11 ommendations for modifications to such plan to pro-
12 mote the financial stability of the Postal Service to
13 the Postmaster General, the President, and Con-
14 gress.

15 (2) Not later than 15 days after receiving the
16 recommendations of the Authority submitted under
17 paragraph (1), the Postmaster General shall
18 promptly adopt a revised budget for the fiscal year
19 (in this section referred to as the “transition budg-
20 et”), and shall submit the transition budget to the
21 Authority, the President, and Congress.

22 (3) Not later than 15 days after receiving the
23 transition budget from the Postmaster General
24 under paragraph (2), the Authority shall submit a
25 report to the Postmaster General, the President, and
26 Congress analyzing the budget (taking into account

1 any items or provisions disapproved by the Post-
2 master General) and shall include in the report such
3 recommendations for revisions to the transition
4 budget as the Authority considers appropriate to
5 promote the financial stability of the Postal Service
6 during the fiscal year.

7 (b) FINANCIAL PLAN AND BUDGET.—

8 (1) DEADLINE FOR SUBMISSION.—For purposes
9 of section 223, the Postmaster General shall submit
10 the financial plan and budget for the applicable fis-
11 cal year as soon as practicable after the initiation of
12 a control period (in accordance with guidelines es-
13 tablished by the Authority).

14 (2) ADOPTION BY POSTMASTER GENERAL.—In
15 accordance with the procedures applicable under sec-
16 tion 223 (including procedures providing for review
17 by the Authority) the Postmaster General shall
18 adopt the financial plan and budget for the applica-
19 ble fiscal year (including the transition budget incor-
20 porated in the financial plan and budget) prior to
21 the submission by the Postmaster General.

22 (3) TRANSITION BUDGET AS TEMPORARY FI-
23 NANCIAL PLAN AND BUDGET.—Until the approval of
24 the financial plan and budget for the applicable fis-
25 cal year by the Authority under this subsection, the

1 transition budget established under subsection (a)
2 shall serve as the financial plan and budget adopted
3 under this subtitle for purposes of this Act (and any
4 provision of law amended by this Act) for the appli-
5 cable fiscal year.

6 **SEC. 228. ASSISTANCE IN ACHIEVING FINANCIAL STA-**
7 **BILITY, ETC.**

8 In addition to any other actions described in this title,
9 the Authority may undertake cooperative efforts to assist
10 the Postal Service in achieving financial stability and man-
11 agement efficiency, including—

12 (1) assisting the Postal Service in avoiding de-
13 faults, eliminating and liquidating deficits, maintain-
14 ing sound budgetary practices, and avoiding inter-
15 ruptions in the delivery of services;

16 (2) assisting the Postal Service in improving
17 the delivery of services, the training and effective-
18 ness of personnel of the Postal Service, and the effi-
19 ciency of management and supervision; and

20 (3) making recommendations to the President
21 for transmission to Congress on changes to this Act
22 or other Federal laws, or other actions of the Fed-
23 eral Government, which would assist the Postal
24 Service in complying with an approved financial plan
25 and budget under subtitle B.

1 **SEC. 229. OBTAINING REPORTS.**

2 The Authority may require the Postmaster General,
3 the Chief Financial Officer of the Postal Service, and the
4 Inspector General of the Postal Service, to prepare and
5 submit such reports as the Authority considers appro-
6 priate to assist it in carrying out its responsibilities under
7 this title, including submitting copies of any reports re-
8 garding revenues, expenditures, budgets, costs, plans, op-
9 erations, estimates, and other financial or budgetary mat-
10 ters of the Postal Service.

11 **SEC. 230. REPORTS AND COMMENTS.**

12 (a) ANNUAL REPORTS TO CONGRESS.—Not later
13 than 30 days after the last day of each fiscal year which
14 is a control year, the Authority shall submit a report to
15 Congress describing—

16 (1) the progress made by the Postal Service in
17 meeting the objectives of this title during the fiscal
18 year;

19 (2) the assistance provided by the Authority to
20 the Postal Service in meeting the purposes of this
21 title for the fiscal year; and

22 (3) any other activities of the Authority during
23 the fiscal year.

24 (b) REVIEW AND ANALYSIS OF PERFORMANCE AND
25 FINANCIAL ACCOUNTABILITY REPORTS.—The Authority
26 shall review each yearly report prepared and submitted by

1 the Postmaster General to the Postal Regulatory Commis-
2 sion and Congress and shall submit a report to Congress
3 analyzing the completeness and accuracy of such reports.

4 (c) COMMENTS REGARDING ACTIVITIES OF POSTAL
5 SERVICE.—At any time during a control period, the Au-
6 thority may submit a report to Congress describing any
7 action taken by the Postal Service (or any failure to act
8 by the Postal Service) which the Authority determines will
9 adversely affect the Postal Service’s ability to comply with
10 an approved financial plan and budget under subtitle B
11 or will otherwise have a significant adverse impact on the
12 best interests of the Postal Service.

13 (d) REPORTS ON EFFECT OF FEDERAL LAWS ON
14 THE POSTAL SERVICE.—At any time during any year, the
15 Authority may submit a report to the Postmaster General,
16 the President, and Congress on the effect of laws enacted
17 by Congress on the financial plan and budget for the year
18 and on the financial stability and management efficiency
19 of the Postal Service in general.

20 (e) MAKING REPORTS PUBLICLY AVAILABLE.—The
21 Authority shall make any report submitted under this sec-
22 tion available to the public, except to the extent that the
23 Authority determines that the report contains confidential
24 material.

1 **Subtitle D—Termination of a**
2 **Control Period**

3 **SEC. 231. TERMINATION OF CONTROL PERIOD, ETC.**

4 (a) IN GENERAL.—After the completion of the re-
5 quirements for the termination of a control period de-
6 scribed in section 202(b)(4), the Authority shall submit
7 a recommendation to Congress requesting the termination
8 of such control period, the dissolution of the Authority,
9 and the reinstatement to the Board of Governors (and the
10 individual Governors) of the Postal Service of the authori-
11 ties and responsibilities referred to in section
12 202(b)(2)(A).

13 (b) CONGRESSIONAL APPROVAL.—

14 (1) IN GENERAL.—A control period shall not be
15 terminated unless a joint resolution approving of the
16 recommendation in subsection (a) is enacted, in ac-
17 cordance with section 232, before the earlier of—

18 (A) the end of the 30-day period beginning
19 on the date on which the Authority transmits
20 the recommendation to Congress under sub-
21 section (a); or

22 (B) the adjournment of the Congress sine
23 die for the session during which such rec-
24 ommendation is transmitted.

1 (b) REFERRAL.—A resolution described in subsection
2 (a) that is introduced in the House of Representatives or
3 the Senate shall be referred to the appropriate committees
4 of the House of Representatives or the Senate, respec-
5 tively.

6 (c) DISCHARGE.—If the committee to which a resolu-
7 tion described in subsection (a) is referred has not re-
8 ported such resolution (or an identical resolution) by the
9 end of the 20-day period beginning on the date on which
10 the Authority transmits its recommendation to Congress
11 under section 231(a) such committee shall, at the end of
12 such period, be discharged from further consideration of
13 such resolution, and such resolution shall be placed on the
14 appropriate calendar of the House involved.

15 (d) CONSIDERATION.—

16 (1) IN GENERAL.—On or after the third day
17 after the date on which the committee to which such
18 a resolution is referred has reported, or has been
19 discharged (under subsection (c)) from further con-
20 sideration of, such a resolution, it is in order (even
21 though a previous motion to the same effect has
22 been disagreed to) for any Member of the respective
23 House to move to proceed to the consideration of the
24 resolution. A Member may make the motion only on
25 the day after the calendar day on which the Member

1 announces to the House concerned the Member's in-
2 tention to make the motion, except that, in the case
3 of the House of Representatives, the motion may be
4 made without such prior announcement if the mo-
5 tion is made by direction of the committee to which
6 the resolution was referred. All points of order
7 against the resolution (and against consideration of
8 the resolution) are waived. The motion is highly
9 privileged in the House of Representatives and is
10 privileged in the Senate and is not debatable. The
11 motion is not subject to amendment, or to a motion
12 to postpone, or to a motion to proceed to the consid-
13 eration of other business. A motion to reconsider the
14 vote by which the motion is agreed to or disagreed
15 to shall not be in order. If a motion to proceed to
16 the consideration of the resolution is agreed to, the
17 respective House shall immediately proceed to con-
18 sideration of the joint resolution without intervening
19 motion, order, or other business, and the resolution
20 shall remain the unfinished business of the respec-
21 tive House until disposed of.

22 (2) DEBATE.—Debate on the resolution, and on
23 all debatable motions and appeals in connection
24 therewith, shall be limited to not more than 2 hours,
25 which shall be divided equally between those favoring

1 and those opposing the resolution. An amendment to
2 the resolution is not in order. A motion further to
3 limit debate is in order and not debatable. A motion
4 to postpone, or a motion to proceed to the consider-
5 ation of other business, or a motion to recommit the
6 resolution is not in order. A motion to reconsider the
7 vote by which the resolution is agreed to or dis-
8 agreed to is not in order.

9 (3) VOTE ON FINAL PASSAGE.—Immediately
10 following the conclusion of the debate on a resolu-
11 tion described in subsection (a) and a single quorum
12 call at the conclusion of the debate if requested in
13 accordance with the rules of the appropriate House,
14 the vote on final passage of the resolution shall
15 occur.

16 (4) APPEALS.—Appeals from the decisions of
17 the Chair relating to the application of the rules of
18 the Senate or the House of Representatives, as the
19 case may be, to the procedure relating to a resolu-
20 tion described in subsection (a) shall be decided
21 without debate.

22 (e) CONSIDERATION BY OTHER HOUSE.—

23 (1) IN GENERAL.—If, before the passage by one
24 House of a resolution of that House described in
25 subsection (a), that House receives from the other

1 House a resolution described in subsection (a), then
2 the following procedures shall apply:

3 (A) The resolution of the other House shall
4 not be referred to a committee and may not be
5 considered in the House receiving it except in
6 the case of final passage as provided in sub-
7 paragraph (B)(ii).

8 (B) With respect to a resolution described
9 in subsection (a) of the House receiving the res-
10 olution—

11 (i) the procedure in that House shall
12 be the same as if no resolution had been
13 received from the other House; but

14 (ii) the vote on final passage shall be
15 on the resolution of the other House.

16 (2) DISPOSITION OF A RESOLUTION.—Upon
17 disposition of the resolution received from the other
18 House, it shall no longer be in order to consider the
19 resolution that originated in the receiving House.

20 (f) RULES OF THE SENATE AND HOUSE.—This sec-
21 tion is enacted by Congress—

22 (1) as an exercise of the rulemaking power of
23 the Senate and House of Representatives, respec-
24 tively, and as such it is deemed a part of the rules
25 of each House, respectively, but applicable only with

1 respect to the procedure to be followed in that
 2 House in the case of a resolution described in sub-
 3 section (a), and it supersedes other rules only to the
 4 extent that it is inconsistent with such rules; and

5 (2) with full recognition of the constitutional
 6 right of either House to change the rules (so far as
 7 relating to the procedure of that House) at any time,
 8 in the same manner, and to the same extent as in
 9 the case of any other rule of that House.

10 **TITLE III—POSTAL SERVICE**
 11 **WORKFORCE**

12 **Subtitle A—General Provisions**

13 **SEC. 301. MODIFICATIONS RELATING TO DETERMINATION**
 14 **OF PAY COMPARABILITY.**

15 (a) **POSTAL POLICY.**—Section 101(c) is amended—

16 (1) in the first sentence, by inserting “total”
 17 before “rates and types of compensation”; and

18 (2) in the second sentence, by inserting “en-
 19 tire” before “private sector”.

20 (b) **EMPLOYMENT POLICY.**—The second sentence of
 21 section 1003(a) is amended—

22 (1) by inserting “total” before “compensation
 23 and benefits”; and

24 (2) by inserting “entire” before “private sec-
 25 tor”.

1 (c) CONSIDERATIONS.—For purposes of the amend-
2 ments made by this section, any determination of “total
3 rates and types of compensation” or “total compensation
4 and benefits” shall, at a minimum, take into account pay,
5 health benefits, retirement benefits, life insurance benefits,
6 leave, holidays, and continuity and stability of employ-
7 ment.

8 **SEC. 302. LIMITATION ON POSTAL CONTRIBUTIONS UNDER**
9 **FEGLI AND FEHBP.**

10 Section 1003 is amended by adding at the end the
11 following:

12 “(e)(1) At least 1 month before the start of each fis-
13 cal year as described in paragraph (2), the Postmaster
14 General shall transmit to the Postal Regulatory Commis-
15 sion certification (together with such supporting docu-
16 mentation as the Postal Regulatory Commission may re-
17 quire) that contributions of the Postal Service for such
18 fiscal year will not exceed—

19 “(A) in the case of life insurance under chapter
20 87 of title 5, the Government contributions deter-
21 mined under section 8708 of such title; and

22 “(B) in the case of health insurance under
23 chapter 89 of title 5, the Government contributions
24 determined under 8906 of such title.

25 “(2) This subsection applies with respect to—

1 “(A) except as provided in subparagraph (B),
2 each fiscal year beginning after September 30, 2013;
3 and

4 “(B) in the case of officers and employees of
5 the Postal Service covered by a collective bargaining
6 agreement which is in effect on the date of the en-
7 actment of this subsection—

8 “(i) each fiscal year beginning after the ex-
9 piration date of such agreement, including

10 “(ii) for the fiscal year in which such expi-
11 ration date occurs, any portion of such fiscal
12 year remaining after such expiration date.

13 “(3)(A) If, after reasonable notice and opportunity
14 for hearing is afforded to the Postal Service, the Postal
15 Regulatory Commission finds that the contributions of the
16 Postal Service for a fiscal year will exceed or are exceeding
17 the limitation specified in subparagraph (A) or (B) of
18 paragraph (1), the Commission shall order that the Postal
19 Service take such action as the Commission considers nec-
20 essary to achieve full and immediate compliance with the
21 applicable limitation or limitations.

22 “(B) Sections 3663 and 3664 shall apply with respect
23 to any order issued by the Postal Regulatory Commission
24 under subparagraph (A).

1 “(C) Nothing in this paragraph shall be considered
2 to permit the issuance of an order requiring reduction of
3 contributions below the level specified by the provision of
4 law cited in subparagraph (A) or (B) of paragraph (1),
5 as applicable.”.

6 **SEC. 303. REPEAL OF PROVISION RELATING TO OVERALL**
7 **VALUE OF FRINGE BENEFITS.**

8 The last sentence of section 1005(f) is repealed.

9 **SEC. 304. MODIFICATIONS RELATING TO COLLECTIVE BAR-**
10 **GAINING.**

11 Section 1207 is amended by striking subsections (c)
12 and (d) and inserting the following:

13 “(c)(1) If no agreement is reached within 30 days
14 after the appointment of a mediator under subsection (b),
15 or if the parties decide upon arbitration before the expira-
16 tion of the 30-day period, an arbitration board shall be
17 established consisting of 1 member selected by the Postal
18 Service (from the list under paragraph (2)), 1 member se-
19 lected by the bargaining representative of the employees
20 (from the list under paragraph (2)), and the mediator ap-
21 pointed under subsection (b).

22 “(2) Upon receiving a request from either of the par-
23 ties referred to in paragraph (1), the Director of the Fed-
24 eral Mediation and Conciliation Service shall provide a list
25 of not less than 9 individuals who are well qualified to

1 serve as neutral arbitrators. Each person listed shall be
2 an arbitrator of nationwide reputation and professional
3 nature, a member of the National Academy of Arbitrators,
4 and an individual whom the Director has determined to
5 be willing and available to serve. If, within 7 days after
6 the list is provided, either of the parties has not selected
7 an individual from the list, the Director shall make the
8 selection within 3 days.

9 “(3) The arbitration board shall give the parties a
10 full and fair hearing, including an opportunity to present
11 evidence in support of their claims, and an opportunity
12 to present their case in person, by counsel, or by other
13 representative as they may elect. The hearing shall be con-
14 cluded no more than 40 days after the arbitration board
15 is established.

16 “(4) No more than 7 days after the hearing is con-
17 cluded, each party shall submit to the arbitration board
18 2 offer packages, each of which packages shall specify the
19 terms of a proposed final agreement.

20 “(5) If no agreement is reached within 7 days after
21 the last day date for the submission of an offer package
22 under paragraph (4), each party shall submit to the arbi-
23 tration board a single final offer package specifying the
24 terms of a proposed final agreement.

1 “(6) No later than 3 days after the submission of
2 the final offer packages under paragraph (5), the arbitra-
3 tion board shall select 1 of those packages as its tentative
4 award, subject to paragraph (7).

5 “(7)(A) The arbitration board may not select a final
6 offer package under paragraph (6) unless it satisfies each
7 of the following:

8 “(i) The offer complies with the requirements of
9 sections 101(c) and 1003(a).

10 “(ii) The offer takes into account the current fi-
11 nancial condition of the Postal Service.

12 “(iii) The offer takes into account the long-term
13 financial condition of the Postal Service.

14 “(B)(i) If the board unanimously determines, based
15 on clear and convincing evidence presented during the
16 hearing under paragraph (3), that neither final offer pack-
17 age satisfies the conditions set forth in subparagraph (A),
18 the board shall by majority vote—

19 “(I) select the package that best meets such
20 conditions; and

21 “(II) modify the package so selected to the min-
22 imum extent necessary to satisfy such conditions.

23 “(ii) If modification (as described in subparagraph
24 (B)(i)(II)) is necessary, the board shall have an additional

1 7 days to render its tentative award under this subpara-
2 graph.

3 “(8) The parties may negotiate a substitute award
4 to replace the tentative award selected under paragraph
5 (6) or rendered under paragraph (7) (as the case may be).
6 If no agreement on a substitute award is reached within
7 10 days after the date on which the tentative award is
8 so selected or rendered, the tentative award shall become
9 final.

10 “(9) The arbitration board shall review any substitute
11 award negotiated under paragraph (8) to determine if it
12 satisfies the conditions set forth in paragraph (7)(A). If
13 the arbitration board, by a unanimous vote taken within
14 3 days after the date on which the agreement on the sub-
15 stitute award is reached under paragraph (8), determines
16 that the substitute award does not satisfy such conditions,
17 the tentative award shall become final. In the absence of
18 a vote, as described in the preceding sentence, the sub-
19 stitute agreement shall become final.

20 “(10) If, under paragraph (5), neither party submits
21 a final offer package by the last day allowable under such
22 paragraph, the arbitration board shall develop and issue
23 a final award no later than 20 days after such last day.

24 “(11) A final award or agreement under this sub-
25 section shall be conclusive and binding upon the parties.

1 “(12) Costs of the arbitration board and mediation
2 shall be shared equally by the Postal Service and the bar-
3 gaining representative.

4 “(d) In the case of a bargaining unit whose recog-
5 nized collective-bargaining representative does not have an
6 agreement with the Postal Service, if the parties fail to
7 reach agreement within 90 days after the commencement
8 of collective bargaining, a mediator shall be appointed in
9 accordance with the provisions of subsection (b), unless
10 the parties have previously agreed to another procedure
11 for a binding resolution of their differences. If the parties
12 fail to reach agreement within 180 days after the com-
13 mencement of collective bargaining, an arbitration board
14 shall be established to provide conclusive and binding arbi-
15 tration in accordance with the provisions of subsection
16 (c).”.

17 **Subtitle B—Postal Service Workers’**
18 **Compensation Reform**

19 **SEC. 311. SENSE OF CONGRESS.**

20 It is the sense of Congress that—

21 (1) the Postal Service should develop and man-
22 age a program to pay compensation for the disability
23 or death of an officer or employee of the Postal
24 Service which results from an injury sustained while
25 in the performance of duty;

1 (2) such program should include an automatic
2 transition to retirement and provide a retirement
3 pension based on the average salary of the officer or
4 employee, determined as if such officer or employee
5 had continued to receive basic pay from the date of
6 injury to the date of retirement; and

7 (3) officers or employees of the Postal Service
8 receiving compensation for a disability from an in-
9 jury sustained while in the performance of duty
10 should be transitioned to the program described in
11 paragraph (1).

12 **TITLE IV—POSTAL SERVICE** 13 **REVENUE**

14 **SEC. 401. ADEQUACY, EFFICIENCY, AND FAIRNESS OF POST-** 15 **AL RATES.**

16 (a) IN GENERAL.—Paragraph (1) of section 3622(d)
17 is amended—

18 (1) by redesignating subparagraphs (B)
19 through (E) as subparagraph (D) through (G), re-
20 spectively; and

21 (2) by inserting after subparagraph (A) the fol-
22 lowing:

23 “(B) subject to the limitation under para-
24 graph (A), establish postal rates to fulfill the
25 requirement that each market-dominant class,

1 product, and type of mail service (except for an
2 experimental product or service) bear the direct
3 and indirect postal costs attributable to such
4 class, product, or type through reliably identi-
5 fied causal relationships plus that portion of all
6 other costs of the Postal Service reasonably as-
7 signable to such class, product, or type;

8 “(C) establish postal rates for each loss-
9 making class of mail to eliminate such losses by
10 exhausting all unused rate authority as well as
11 maximizing incentives to reduce costs and in-
12 crease efficiency; with—

13 “(i) the term ‘loss-making’, as used
14 with respect to a class of mail, meaning a
15 class of mail that bears less than 100 per-
16 cent of its costs attributable (as described
17 in subparagraph (B)), according to the
18 most recent annual determination of the
19 Postal Regulatory Commission under sec-
20 tion 3653; and

21 “(ii) unused rate authority annually
22 increased by 5 percent for each class of
23 mail that bore less than 90 percent of its
24 costs attributable, according to the most
25 annual determination by the Postal Regu-

1 latory Commission under section 3653,
2 with such increase in unused rate authority
3 to take effect 30 days after issuance of
4 such Commission determination;”.

5 (b) EXCEPTION.—Section 3622(d) is amended by
6 adding at the end the following:

7 “(4) EXCEPTION.—The requirements of para-
8 graph (1)(B) shall not apply to a market-dominant
9 product for which a substantial portion of the prod-
10 uct’s mail volume consists of inbound international
11 mail with terminal dues rates determined by the
12 Universal Postal Union (and not by bilateral agree-
13 ments or other arrangements).”.

14 **SEC. 402. REPEAL OF RATE PREFERENCES FOR QUALIFIED**
15 **POLITICAL COMMITTEES.**

16 Subsection (e) of section 3626 is repealed.

17 **SEC. 403. RATE PREFERENCES FOR NONPROFIT ADVER-**
18 **TISING.**

19 (a) PROVISIONS RELATING TO FORMER SECTION
20 4358(f).—Section 3626(a)(5) is amended by adding at the
21 end the following: “Notwithstanding any other provision
22 of this paragraph, the percentage specified in the pre-
23 ceding sentence shall be increased by an additional 5 per-
24 centage points as of the first day of each calendar year
25 beginning after the date of the enactment of the Postal

1 Reform Act of 2011, until such percentage reaches 90 per-
2 cent.”.

3 (b) PROVISIONS RELATING TO FORMER SECTION
4 4452 (b) AND (c).—Section 3626(a)(6) is amended by in-
5 serting after subparagraph (C) the following (as a flush
6 left sentence):

7 “Notwithstanding any other provision of this paragraph,
8 the percentage specified in subparagraph (A) shall be in-
9 creased by an additional 5 percentage points as of the first
10 day of each calendar year beginning after the date of the
11 enactment of the Postal Reform Act of 2011, until such
12 percentage reaches 90 percent.”.

13 **SEC. 404. STREAMLINED REVIEW OF QUALIFYING SERVICE**
14 **AGREEMENTS FOR COMPETITIVE PRODUCTS.**

15 Section 3633 is amended by adding at the end the
16 following:

17 “(c) STREAMLINED REVIEW.—Within 90 days after
18 the date of the enactment of this subsection, after notice
19 and opportunity for public comment, the Postal Regu-
20 latory Commission shall promulgate (and may from time
21 to time thereafter revise) regulations for streamlined
22 after-the-fact review of new agreements between the Post-
23 al Service and users of the mail that provide rates not
24 of general applicability for competitive products, and are
25 functionally equivalent to existing agreements that have

1 collectively covered attributable costs and collectively im-
2 proved the net financial position of the Postal Service.
3 Streamlined review will be concluded within 5 working
4 days after the agreement is filed with the Commission and
5 shall be limited to approval or disapproval of the agree-
6 ment as a whole based on the Commission's determination
7 of its functional equivalence. Agreements not approved
8 may be resubmitted without prejudice under section
9 3632(b)(3).”.

10 **SEC. 405. SUBMISSION OF SERVICE AGREEMENTS FOR**
11 **STREAMLINED REVIEW.**

12 Section 3632(b) is amended—

13 (1) by redesignating paragraph (4) as para-
14 graph (5); and

15 (2) by inserting paragraph (3) the following:

16 “(4) RATES FOR STREAMLINED REVIEW.—In
17 the case of rates not of general applicability for com-
18 petitive products that the Postmaster General con-
19 siders eligible for streamlined review under section
20 3633(e), the Postmaster General shall cause each
21 agreement to be filed with the Postal Regulatory
22 Commission by such date, on or before the effective
23 date of any new rate, as the Postmaster General
24 considered appropriate.”.

1 **SEC. 406. TRANSPARENCY AND ACCOUNTABILITY FOR**
2 **SERVICE AGREEMENTS.**

3 Section 3632(b), as amended by section 405, is
4 amended by adding at the end the following:

5 “(6)(A) Each annual written determination of
6 the Commission under section 3653 shall include
7 written determinations, for each group of function-
8 ally equivalent agreements between the Postal Serv-
9 ice and users of the mail, whether it—

10 “(i) covered attributable costs; and

11 “(ii) improved the net financial position of
12 the Postal Service.

13 “(B) Any group of functionally equivalent
14 agreements (as referred to in subparagraph (A)) not
15 meeting clauses (i) and (ii) of subparagraph (A)
16 shall be determined to be in noncompliance under
17 section 3653(c).

18 “(C) For purposes of this paragraph, a group
19 of functionally equivalent agreements (as referred to
20 in subparagraph (A)) shall consist of all service
21 agreements that are functionally equivalent to each
22 other within the same market-dominant or competi-
23 tive product, but shall not include agreements within
24 an experimental product.”.

25 **SEC. 407. NONPOSTAL SERVICES.**

26 (a) NONPOSTAL SERVICES.—

1 (1) IN GENERAL.—Part IV is amended by add-
2 ing after chapter 36 the following:

3 **“CHAPTER 37—NONPOSTAL SERVICES**

“Sec.

“3701. Purpose.

“3702. Definitions.

“3703. Postal Service advertising program.

“3704. Postal Service program for State governments.

“3705. Postal Service program for other government agencies.

“3706. Transparency and accountability for nonpostal services.

4 **“§ 3701. Purpose**

5 “This chapter is intended to enable the Postal Service
6 to increase its net revenues through specific nonpostal
7 products and services that are expressly authorized by this
8 chapter. Postal Service revenues and expenses under this
9 chapter shall be funded through the Postal Service Fund.

10 **“§ 3702. Definitions**

11 “As used in this chapter—

12 “(1) the term ‘nonpostal services’ is limited to
13 services offered by the Postal Service that are ex-
14 pressly authorized by this chapter and are not postal
15 products or services;

16 “(2) the term ‘Postal Service advertising pro-
17 gram’ means a program, managed by the Postal
18 Service, by which the Postal Service receives reve-
19 nues from entities which advertise at Postal Service
20 facilities and on Postal Service vehicles;

21 “(3) the term ‘Postal Service program for State
22 government services’ means a program, managed by

1 the Postal Service, by which the Postal Service re-
2 ceives revenue from State governments (including
3 their agencies) which provide services at Postal Serv-
4 ice facilities;

5 “(4) the term ‘attributable costs’ has the same
6 meaning as is given such term in section 3631; and

7 “(5) the term ‘year’ means a fiscal year.

8 **“§ 3703. Postal Service advertising program**

9 “Notwithstanding any other provision of this title,
10 the Postal Service may establish and manage a program
11 that allows entities to advertise at Postal Service facilities
12 and on Postal Service vehicles. Such a program shall be
13 subject to the following requirements:

14 “(1) The Postal Service shall at all times en-
15 sure advertising it permits is consistent with the in-
16 tegrity of the Postal Service.

17 “(2) Any advertising program is required to
18 cover a minimum of 200 percent of its attributable
19 costs in each year.

20 “(3) All advertising expenditures and revenues
21 are subject to annual compliance determination (in-
22 cluding remedies for noncompliance) applicable to
23 nonpostal products.

1 “(4) Total advertising expenditures and reve-
2 nues must be disclosed in Postal Service Annual Re-
3 ports.

4 **“§ 3704. Postal Service program for State govern-**
5 **ments**

6 “(a) IN GENERAL.—Notwithstanding any other pro-
7 vision of this title, the Postal Service may establish a pro-
8 gram to provide services for agencies of State governments
9 within the United States, but only if such services—

10 “(1) shall provide enhanced value to the public,
11 such as by lowering the cost or raising the quality
12 of such services or by making such services more ac-
13 cessible;

14 “(2) do not interfere with or detract from the
15 value of postal services, including—

16 “(A) the cost and efficiency of postal serv-
17 ices; and

18 “(B) access to postal retail service, such as
19 customer waiting time and access to parking;
20 and

21 “(3) provide a reasonable contribution to the in-
22 stitutional costs of the Postal Service, defined as re-
23 imbursement for each service and to each agency
24 covering at least 150 percent of the attributable
25 costs of such service in each year.

1 “(b) PUBLIC NOTICE.—At least 90 days before offer-
2 ing any services under this section, the Postal Service shall
3 make each agreement with State agencies readily available
4 to the public on its Web site, including a business plan
5 that describes the specific services to be provided, the en-
6 hanced value to the public, terms of reimbursement, the
7 estimated annual reimbursement to the Postal Service,
8 and the estimated percentage of attributable Postal Serv-
9 ices that will be covered by reimbursement (with docu-
10 mentation to support these estimates). The Postal Service
11 shall solicit public comment for at least 30 days, with com-
12 ments posted on its Web site, followed by its written re-
13 sponse posted on its Web site at least 30 days before offer-
14 ing such services.

15 “(c) APPROVAL REQUIRED.—The Governors of the
16 Postal Service shall approve the provision of services
17 under this section by a recorded vote, with at least 6 mem-
18 bers voting for approval, with the vote publicly disclosed
19 on the Postal Service Web site.

20 “(d) CLASSIFICATION OF SERVICES.—All services for
21 a given agency provided under this section shall be classi-
22 fied as a separate activity subject to the requirements of
23 annual reporting under section 3706. Such reporting shall
24 also include information on the quality of service and re-
25 lated information to demonstrate that it satisfied the re-

1 requirements of subsection (a). Information provided under
2 this section shall be according to requirements that the
3 Postal Regulatory Commission shall by regulation pre-
4 scribe.

5 “(e) DEFINITIONS.—For the purpose of this sec-
6 tion—

7 “(1) the term ‘State’ includes the District of
8 Columbia, the Commonwealth of Puerto Rico, the
9 United States Virgin Islands, Guam, American
10 Samoa, the Commonwealth of the Northern Mariana
11 Islands, and any other territory or possession of the
12 United States; and

13 “(2) the term ‘United States’, when used in a
14 geographical sense, means the States.

15 **“§ 3705. Postal Service program for other government**
16 **agencies**

17 “(a) IN GENERAL.—The Postal Service may establish
18 a program to provide property and services for other gov-
19 ernment agencies within the meaning of section 411, but
20 only if such program provides a reasonable contribution
21 to the institutional costs of the Postal Service, defined as
22 reimbursement by each agency that covers at least 100
23 percent of the attributable costs of all property and service
24 provided by the Postal Service in a each year to such agen-
25 cy.

1 shall be submitted to the Postal Service and the
2 Postal Regulatory Commission.

3 “(b) SUPPORTING MATTER.—The Postal Regulatory
4 Commission shall have access, in accordance with such
5 regulations as the Commission shall prescribe, to the
6 working papers and any other supporting matter of the
7 Postal Service and the Inspector General in connection
8 with any information submitted under this section.

9 “(c) CONTENT AND FORM OF REPORTS.—

10 “(1) IN GENERAL.—The Postal Regulatory
11 Commission shall, by regulation, prescribe the con-
12 tent and form of the public reports (and any non-
13 public annex and supporting matter relating to the
14 report) to be provided by the Postal Service under
15 this section. Such reports shall be included with the
16 annual compliance determination reported under sec-
17 tion 3653. In carrying out this subsection, the Com-
18 mission shall give due consideration to—

19 “(A) providing the public with timely, ade-
20 quate information to assess compliance;

21 “(B) avoiding unnecessary or unwarranted
22 administrative effort and expense on the part of
23 the Postal Service; and

24 “(C) protecting the confidentiality of infor-
25 mation that is commercially sensitive or is ex-

1 empt from public disclosure under section
2 552(b) of title 5.

3 “(2) REVISED REQUIREMENTS.—The Commis-
4 sion may, on its own motion or on request of an in-
5 terested party, initiate proceedings (to be conducted
6 in accordance with regulations that the Commission
7 shall prescribe) to improve the quality, accuracy, or
8 completeness of Postal Service data required by the
9 Commission under this subsection whenever it shall
10 appear that—

11 “(A) the attribution of costs or revenues to
12 property or services under this chapter has be-
13 come significantly inaccurate or can be signifi-
14 cantly improved;

15 “(B) the quality of service data provided to
16 the Commission for annual reports under this
17 chapter has become significantly inaccurate or
18 can be significantly improved; or

19 “(C) such revisions are, in the judgment of
20 the Commission, otherwise necessitated by the
21 public interest.

22 “(d) CONFIDENTIAL INFORMATION.—

23 “(1) IN GENERAL.—If the Postal Service deter-
24 mines that any document or portion of a document,
25 or other matter, which it provides to the Postal Reg-

1 ulatory Commission in a nonpublic annex under this
2 section contains information which is described in
3 section 410(c) of this title, or exempt from public
4 disclosure under section 552(b) of title 5, the Postal
5 Service shall, at the time of providing such matter
6 to the Commission, notify the Commission of its de-
7 termination, in writing, and describe with particu-
8 larity the documents (or portions of documents) or
9 other matter for which confidentiality is sought and
10 the reasons therefor.

11 “(2) TREATMENT.—Any information or other
12 matter described in paragraph (1) to which the
13 Commission gains access under this section shall be
14 subject to paragraphs (2) and (3) of section 504(g)
15 in the same way as if the Commission had received
16 notification with respect to such matter under sec-
17 tion 504(g)(1).

18 “(e) ANNUAL COMPLIANCE DETERMINATION.—

19 “(1) OPPORTUNITY FOR PUBLIC COMMENT.—
20 After receiving the reports required under subsection
21 (a) for any year, the Postal Regulatory Commission
22 shall promptly provide an opportunity for comment
23 on such reports by any interested party, and an offi-
24 cer of the Commission who shall be required to rep-
25 resent the interests of the general public.

1 “(2) DETERMINATION OF COMPLIANCE OR NON-
2 COMPLIANCE.—Not later than 90 days after receiv-
3 ing the submissions required under subsection (a)
4 with respect to a year, the Postal Regulatory Com-
5 mission shall make a written determination as to
6 whether any nonpostal activities during such year
7 were or were not in compliance with applicable pro-
8 visions of this chapter (or regulations promulgated
9 under this chapter). The Postal Regulatory Commis-
10 sion shall issue a determination of noncompliance if
11 the requirements for coverage of attributable costs
12 are not met. If, with respect to a year, no instance
13 of noncompliance is found to have occurred in such
14 year, the written determination shall be to that ef-
15 fect.

16 “(3) NONCOMPLIANCE.—If, for a year, a timely
17 written determination of noncompliance is made
18 under this chapter, the Postal Regulatory Commis-
19 sion shall take appropriate action. If the require-
20 ments for coverage of attributable costs specified by
21 this chapter are not met, the Commission shall,
22 within 60 days after the determination, prescribe re-
23 medial action to restore compliance as soon as prac-
24 ticable, which shall also include the full restoration
25 of revenue shortfalls during the following fiscal year.

1 The Commission may order the Postal Service to
 2 discontinue a nonpostal service under section 3703
 3 or 3704 that persistently fails to meet cost coverage
 4 requirements.

5 “(4) ANY DELIBERATE NONCOMPLIANCE.—In
 6 addition, in cases of deliberate noncompliance by the
 7 Postal Service with the requirements of this chapter,
 8 the Postal Regulatory Commission may order, based
 9 on the nature, circumstances, extent, and serious-
 10 ness of the noncompliance, a fine (in the amount
 11 specified by the Commission in its order) for each
 12 incidence of noncompliance. All receipts from fines
 13 imposed under this subsection shall be deposited in
 14 the general fund of the Treasury of the United
 15 States.”.

16 (2) CLERICAL AMENDMENT.—The analysis for
 17 part IV is amended by adding after the item relating
 18 to chapter 36 the following:

“37. Nonpostal services 3701”.

19 (b) CONFORMING AMENDMENTS.—

20 (1) SECTION 404(e).—Section 404(e) is amend-
 21 ed by adding at the end the following:

22 “(6) Nothing in this section shall be considered to
 23 prevent the Postal Service from establishing nonpostal
 24 products and services that are expressly authorized by
 25 chapter 37.”.

1 (2) SECTION 411.—The last sentence of section
 2 411 is amended by striking “including
 3 reimbursability” and inserting “including
 4 reimbursability within the limitations of chapter
 5 37”.

6 **TITLE V—POSTAL CONTRACTING** 7 **REFORM**

8 **SEC. 501. CONTRACTING PROVISIONS.**

9 (a) IN GENERAL.—Part I of title 39, United States
 10 Code, is amended by adding at the end the following:

11 **“CHAPTER 7—CONTRACTING PROVISIONS**

“Sec.

“701. Definitions.

“702. Advocate for competition.

“703. Delegation of contracting authority.

“704. Posting of noncompetitive purchase requests for noncompetitive contracts.

“705. Review of ethical issues.

“706. Ethical restrictions on participation in certain contracting activity.

12 **“§ 701. Definitions**

13 “In this chapter—

14 “(1) the term ‘contracting officer’ means an
 15 employee of a covered postal entity who has author-
 16 ity to enter into a postal contract;

17 “(2) the term ‘covered postal entity’ means—

18 “(A) the United States Postal Service; or

19 “(B) the Postal Regulatory Commission;

20 “(3) the term ‘head of a covered postal entity’

21 means—

1 “(A) in the case of the United States Post-
2 al Service, the Postmaster General; or

3 “(B) in the case of the Postal Regulatory
4 Commission, the Chairman of the Postal Regu-
5 latory Commission;

6 “(4) the term ‘postal contract’ means any con-
7 tract (including any agreement or memorandum of
8 understanding) entered into by a covered postal enti-
9 ty for the procurement of goods or services; and

10 “(5) the term ‘senior procurement executive’
11 means the senior procurement executive of a covered
12 postal entity.

13 **“§ 702. Advocate for competition**

14 “(a) ESTABLISHMENT AND DESIGNATION.—

15 “(1) There is established in each covered postal
16 entity an advocate for competition.

17 “(2) The head of each covered postal entity
18 shall designate for the covered postal entity 1 or
19 more officers or employees (other than the senior
20 procurement executive) to serve as the advocate for
21 competition.

22 “(b) RESPONSIBILITIES.—The advocate for competi-
23 tion of each covered postal entity shall—

24 “(1) be responsible for promoting—

1 “(A) the contracting out of Postal Service
2 functions that the private sector can perform
3 equally well or better, and at lower cost; and

4 “(B) competition to the maximum extent
5 practicable consistent with obtaining best value
6 by promoting the acquisition of commercial
7 items and challenging barriers to competition;

8 “(2) review the procurement activities of the
9 covered postal entity; and

10 “(3) prepare and transmit to the head of each
11 covered postal entity, the senior procurement execu-
12 tive of each covered postal entity, the Board of Gov-
13 ernors of the United States Postal Service, and Con-
14 gress, an annual report describing—

15 “(A) the activities of the advocate under
16 this section;

17 “(B) initiatives required to promote con-
18 tracting out and competition;

19 “(C) barriers to contracting out and com-
20 petition; and

21 “(D) the number of waivers made by each
22 covered postal entity under section 704(c).

23 **“§ 703. Delegation of contracting authority**

24 “(a) IN GENERAL.—

1 “(1) POLICY.—Not later than 60 days after the
2 date of enactment of this chapter, the head of each
3 covered postal entity shall issue a policy on con-
4 tracting officer delegations of authority for the cov-
5 ered postal entity.

6 “(2) CONTENTS.—The policy issued under
7 paragraph (1) shall require that—

8 “(A) notwithstanding any delegation of au-
9 thority with respect to postal contracts, the ulti-
10 mate responsibility and accountability for the
11 award and administration of postal contracts
12 resides with the senior procurement executive;
13 and

14 “(B) a contracting officer shall maintain
15 an awareness of and engagement in the activi-
16 ties being performed on postal contracts of
17 which that officer has cognizance, notwith-
18 standing any delegation of authority that may
19 have been executed.

20 “(b) POSTING OF DELEGATIONS.—

21 “(1) IN GENERAL.—The head of each covered
22 postal entity shall make any delegation of authority
23 for postal contracts outside the functional con-
24 tracting unit readily available and accessible on the
25 Web site of the covered postal entity.

1 “(2) EFFECTIVE DATE.—This paragraph shall
2 apply to any delegation of authority made on or
3 after 30 days after the date of enactment of this
4 chapter.

5 **“§ 704. Posting of noncompetitive purchase requests**
6 **for noncompetitive contracts**

7 “(a) POSTING REQUIRED.—

8 “(1) POSTAL REGULATORY COMMISSION.—The
9 Postal Regulatory Commission shall make the non-
10 competitive purchase request for any noncompetitive
11 award, including the rationale supporting the non-
12 competitive award, publicly available on the Web site
13 of the Postal Regulatory Commission—

14 “(A) not later than 14 days after the date
15 of the award of the noncompetitive contract; or

16 “(B) not later than 30 days after the date
17 of the award of the noncompetitive contract, if
18 the basis for the award was a compelling busi-
19 ness interest.

20 “(2) UNITED STATES POSTAL SERVICE.—The
21 United States Postal Service shall make the non-
22 competitive purchase request for any noncompetitive
23 award of a postal contract valued at \$250,000 or
24 more, including the rationale supporting the non-

1 competitive award, publicly available on the Web site
2 of the United States Postal Service—

3 “(A) not later than 14 days after the date
4 of the award; or

5 “(B) not later than 30 days after the date
6 of the award, if the basis for the award was a
7 compelling business interest.

8 “(3) ADJUSTMENTS TO THE POSTING THRESH-
9 OLD FOR THE UNITED STATES POSTAL SERVICE.—

10 “(A) REVIEW AND DETERMINATION.—Not
11 later than January 31 of each year, the United
12 States Postal Service shall—

13 “(i) review the \$250,000 threshold es-
14 tablished under paragraph (2); and

15 “(ii) based on any change in the Con-
16 sumer Price Index for all-urban consumers
17 of the Department of Labor, determine
18 whether an adjustment to the threshold
19 shall be made.

20 “(B) AMOUNT OF ADJUSTMENTS.—An ad-
21 justment under subparagraph (A) shall be made
22 in increments of \$5,000. If the United States
23 Postal Service determines that a change in the
24 Consumer Price Index for a year would require
25 an adjustment in an amount that is less than

1 \$5,000, the United States Postal Service may
2 not make an adjustment to the threshold for
3 the year.

4 “(4) EFFECTIVE DATE.—This subsection shall
5 apply to any noncompetitive contract awarded on or
6 after the date that is 90 days after the date of en-
7 actment of this chapter.

8 “(b) PUBLIC AVAILABILITY.—

9 “(1) IN GENERAL.—Subject to paragraph (2),
10 the information required to be made publicly avail-
11 able by a covered postal entity under subsection (a)
12 shall be readily accessible on the Web site of the cov-
13 ered postal entity.

14 “(2) PROTECTION OF PROPRIETARY INFORMA-
15 TION.—A covered postal entity shall—

16 “(A) carefully screen any description of the
17 rationale supporting a noncompetitive award re-
18 quired to be made publicly available under sub-
19 section (a) to determine whether the description
20 includes proprietary data (including any ref-
21 erence or citation to the proprietary data) or se-
22 curity-related information; and

23 “(B) remove any proprietary data or secu-
24 rity-related information before making publicly

1 available a description of the rationale sup-
2 porting a noncompetitive award.

3 “(c) WAIVERS.—

4 “(1) WAIVER PERMITTED.—If a covered postal
5 entity determines that making a noncompetitive pur-
6 chase request publicly available would risk placing
7 the United States Postal Service at a competitive
8 disadvantage relative to a private sector competitor,
9 the senior procurement executive, in consultation
10 with the advocate for competition of the covered
11 postal entity, may waive the requirements under
12 subsection (a).

13 “(2) FORM AND CONTENT OF WAIVER.—

14 “(A) FORM.—A waiver under paragraph
15 (1) shall be in the form of a written determina-
16 tion placed in the file of the contract to which
17 the noncompetitive purchase agreement relates.

18 “(B) CONTENT.—A waiver under para-
19 graph (1) shall include—

20 “(i) a description of the risk associ-
21 ated with making the noncompetitive pur-
22 chase request publicly available; and

23 “(ii) a statement that redaction of
24 sensitive information in the noncompetitive
25 purchase request would not be sufficient to

1 protect the United States Postal Service
2 from being placed at a competitive dis-
3 advantage relative to a private sector com-
4 petitor.

5 “(3) DELEGATION OF WAIVER AUTHORITY.—A
6 covered postal entity may not delegate the authority
7 to approve a waiver under paragraph (1) to any em-
8 ployee having less authority than the senior procure-
9 ment executive.

10 **“§ 705. Review of ethical issues**

11 “If a contracting officer identifies any ethical issues
12 relating to a proposed contract and submits those issues
13 and that proposed contract to the designated ethics official
14 for the covered postal entity before the awarding of that
15 contract, that ethics official shall—

16 “(1) review the proposed contract; and

17 “(2) advise the contracting officer on the appro-
18 priate resolution of ethical issues.

19 **“§ 706. Ethical restrictions on participation in certain**
20 **contracting activity**

21 “(a) DEFINITIONS.—In this section—

22 “(1) the term ‘covered employee’ means—

23 “(A) a contracting officer; or

24 “(B) any employee of a covered postal en-
25 tity whose decisionmaking affects a postal con-

1 tract as determined by regulations prescribed
2 by the head of a covered postal entity;

3 “(2) the term ‘final conviction’ means a conviction,
4 whether entered on a verdict or plea, including
5 a plea of nolo contendere, for which a sentence has
6 been imposed; and

7 “(3) the term ‘covered relationship’ means a
8 covered relationship described in section
9 2635.502(b)(1) of title 5, Code of Federal Regulations,
10 or any successor thereto.

11 “(b) IN GENERAL.—

12 “(1) REGULATIONS.—The head of each covered
13 postal entity shall prescribe regulations that—

14 “(A) require a covered employee to include
15 in the file of any noncompetitive purchase request
16 for a noncompetitive postal contract a
17 written certification that—

18 “(i) discloses any covered relationship
19 of the covered employee; and

20 “(ii) states that the covered employee
21 will not take any action with respect to the
22 noncompetitive purchase request that affects the financial
23 interests of a friend, relative, or person with whom the covered
24 employee is affiliated in a nongovernmental
25

1 capacity, or otherwise gives rise to an ap-
2 pearance of the use of public office for pri-
3 vate gain, as described in section 2635.702
4 of title 5, Code of Federal Regulations, or
5 any successor thereto;

6 “(B) require a contracting officer to con-
7 sult with the ethics counsel for the covered
8 postal entity regarding any disclosure made by
9 a covered employee under subparagraph (A)(i),
10 to determine whether participation by the cov-
11 ered employee in the noncompetitive purchase
12 request would give rise to a violation of part
13 2635 of title 5, Code of Federal Regulations
14 (commonly referred to as the Standards of Eth-
15 ical Conduct for Employees of the Executive
16 Branch);

17 “(C) require the ethics counsel for a cov-
18 ered postal entity to review any disclosure made
19 by a contracting officer under subparagraph
20 (A)(i) to determine whether participation by the
21 contracting officer in the noncompetitive pur-
22 chase request would give rise to a violation of
23 part 2635 of title 5, Code of Federal Regula-
24 tions (commonly referred to as the Standards of

1 Ethical Conduct for Employees of the Executive
2 Branch), or any successor thereto;

3 “(D) under subsections (d) and (e) of sec-
4 tion 2635.50 of title 5, Code of Federal Regula-
5 tions, or any successor thereto, require the eth-
6 ics counsel for a covered postal entity to—

7 “(i) authorize a covered employee that
8 makes a disclosure under subparagraph
9 (A)(i) to participate in the noncompetitive
10 postal contract; or

11 “(ii) disqualify a covered employee
12 that makes a disclosure under subpara-
13 graph (A)(i) from participating in the non-
14 competitive postal contract;

15 “(E) require a contractor to timely disclose
16 to the contracting officer in a bid, solicitation,
17 award, or performance of a postal contract any
18 conflict of interest with a covered employee; and

19 “(F) include authority for the head of the
20 covered postal entity to grant a waiver or other-
21 wise mitigate any organizational or personal
22 conflict of interest, if the head of the covered
23 postal entity determines that the waiver or miti-
24 gation is in the best interests of the Postal
25 Service.

1 “(2) POSTING OF WAIVERS.—Not later than 30
2 days after the head of a covered postal entity grants
3 a waiver described in paragraph (1)(F), the head of
4 the covered postal entity shall make the waiver pub-
5 licly available on the Web site of the covered postal
6 entity.

7 “(c) CONTRACT VOIDANCE AND RECOVERY.—

8 “(1) UNLAWFUL CONDUCT.—In any case in
9 which there is a final conviction for a violation of
10 any provision of chapter 11 of title 18 relating to a
11 postal contract, the head of a covered postal entity
12 may—

13 “(A) void that contract; and

14 “(B) recover the amounts expended and
15 property transferred by the covered postal enti-
16 ty under that contract.

17 “(2) OBTAINING OR DISCLOSING PROCUREMENT
18 INFORMATION.—

19 “(A) IN GENERAL.—In any case in which
20 a contractor under a postal contract fails to
21 timely disclose a conflict of interest to the ap-
22 propriate contracting officer as required under
23 the regulations promulgated under subsection
24 (b)(1)(E), the head of a covered postal entity
25 may—

1 “(i) void that contract; and

2 “(ii) recover the amounts expended
3 and property transferred by the covered
4 postal entity under that contract.

5 “(B) CONVICTION OR ADMINISTRATIVE DE-
6 TERMINATION.—A case described under sub-
7 paragraph (A) is any case in which—

8 “(i) there is a final conviction for an
9 offense punishable under section 2105 of
10 title 41, United States Code; or

11 “(ii) the head of a covered postal enti-
12 ty determines, based upon a preponderance
13 of the evidence, that the contractor or
14 someone acting for the contractor has en-
15 gaged in conduct constituting an offense
16 punishable under section 2105 of such
17 title.”.

18 (b) CLERICAL AMENDMENT.—The table of chapters
19 for part I of title 39, United States Code, is amended by
20 adding at the end the following:

“7. Contracting Provisions 701”.

21 **SEC. 502. TECHNICAL AMENDMENT TO DEFINITION.**

22 Section 7101(8) of title 41, United States Code, is
23 amended—

24 (1) by striking “and” at the end of subpara-
25 graph (C);

1 (2) by striking the period at the end of sub-
2 paragraph (D) and inserting “; and”; and

3 (3) by adding at the end the following new sub-
4 paragraph:

5 “(E) the United States Postal Service and
6 the Postal Regulatory Commission.”.

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